DISPLACED OLDER WORKERS

HEARING

BEFORE THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

JULY 24, 1985

Printed for the use of the Select Committee on Aging

Comm. Pub. No. 99-528

U.S. GOVERNMENT PRINTING OFFICE

53-701 O WASHINGTON : 1985

/30

H141-10

SELECT COMMITTEE ON AGING

EDWARD R. ROYBAL, California, *Chairman*

CLAUDE PEPPER, Florida
MARIO BIAGGI, New York
DON BONKER, Washington
THOMAS J. DOWNEY, New York
JAMES J. FLORIO, New Jersey
HAROLD E. FORD, Tennessee
WILLIAM J. HUGHES, New Jersey
MARILYN LLOYD, Tennessee
STAN LUNDINE, New York
MARY ROSE OAKAR, Ohio
THOMAS A. LUKEN, Ohio
BEVERLY B. BYRON, Maryland
DAN MICA, Florida
HENRY A. WAXMAN, California
MIKE SYNAR, Oklahoma
BUTLER DERRICK, South Carolina
BRUCE F. VENTO, Minnesota
BARNEY FRANK, Massachusetts
TOM LANTOS, California
RON WYDEN, Oregon
GEO. W. CROCKETT, JR., Michigan
WILLIAM HILL BONER, Tennessee
IKE SKELTON, Missouri
DENNIS M. HERTEL, Michigan
ROBERT A. BORSKI, Pennsylvania
FREDERICK C. BOUCHER, Virginia
BEN ERDREICH, Alabama
BUDDY MACKAY, Florida
HARRY M. REID, Nevada
NORMAN SISISKY, Virginia
ROBERT E. WISE, JR., West Virginia
BILL RICHARDSON, New Mexico
HAROLD L. VOLKMER, Missouri
BART GORDON, Tennessee
THOMAS J. MANTON, New York
TOMMY F. ROBINSON, Arkansas
RICHARD H. STALLINGS, Idaho

MATTHEW J. RINALDO, New Jersey,
Ranking Minority Member
JOHN PAUL HAMMERSCHMIDT, Arkansas
RALPH REGULA, Ohio
NORMAN D. SHUMWAY, California
OLYMPIA J. SNOWE, Maine
JAMES M. JEFFORDS, Vermont
THOMAS J. TAUKE, Iowa
GEORGE C. WORTLEY, New York
JIM COURTER, New Jersey
CLAUDINE SCHNEIDER, Rhode Island
THOMAS J. RIDGE, Pennsylvania
JOHN McCAIN, Arizona
GEORGE W. GEKAS, Pennsylvania
MARK D. SILJANDER, Michigan
CHRISTOPHER H. SMITH, New Jersey
SHERWOOD L. BOEHLERT, New York
JIM SAXTON, New Jersey
HELEN DELICH BENTLEY, Maryland
JIM LIGHTFOOT, Iowa
HARRIS W. FAWELL, Illinois
JAN MEYERS, Kansas
BEN BLAZ, Guam
PATRICK L. SWINDALL, Georgia
PAUL B. HENRY, Michigan
JIM KOLBE, Arizona
BILL SCHUETTE, Michigan

FERNANDO TORRES-GIL, *Staff Director*
PAUL SCHLEGEL, *Minority Staff Director*

CONTENTS

Members' Opening Statements

	Page
Don Bonker	1
Chairman Edward R. Roybal	1
Matthew J. Rinaldo	5
Mike Synar	6
Jim Saxton	6
Helen Delich Bentley	7
John Paul Hammerschmidt	7
Marilyn Lloyd	8
Norman Sisisky	8
Olympia J. Snowe	16
Christopher Smith	19

Chronological List of Witnesses

Richard Pomponio, displaced steelworker, from the State of Pennsylvania	9
Martin Ziegler, Deputy Associate Commissioner for Employment and Unemployment Statistics, Bureau of Labor Statistics	23
Dr. Steven Sandell, Project Director, National Employment Policy and Older Americans, National Commission for Employment Policy	42
Jack Ossofsky, Executive Director, National Council on the Aging	57

Appendixes

Appendix 1: Letter submitted by Representative Matthew J. Rinaldo, and several Members of Congress, and H.R. 1512, a bill	77
Statement of the New Jersey Division on Aging	82
National Association of State Units on Aging, letter	82
Appendix 2: Bureau of Labor Statistics Report on Displaced Workers	85
"Older Workers Face Jobless 'Tragedy,'" by Paul Clancy, USA Today, July 19, 1985 article	95

DISPLACED OLDER WORKERS

WEDNESDAY, JULY 24, 1985

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
Washington, DC.

The committee met, pursuant to notice, at 3:03 p.m., in room 1334, Longworth House Office Building, Hon. Don Bonker (acting chairman of the committee) presiding.

Members present: Representatives Bonker, Stallings, Synar, Rinaldo, Regula, Snowe, Ridge, Siljander, Christopher, Smith, Boehlert, Saxton, Bentley, and Fawell.

Staff present: Fernando Torres-Gil, staff director; Brian T. Lutz, professional staff, and John Vihstadt, minority counsel, of the Select Committee on Aging. Michael Rogers, staff director, Gretchen Sorensen, research assistant, Susan Able, staff assistant, and Janet Porush, minority staff assistant, of the Subcommittee on Housing and Consumer Interests.

OPENING STATEMENT OF REPRESENTATIVE DON BONKER

Mr. BONKER. The Select Committee on Aging will come to order.

Good afternoon. The chairman of the Select Committee on Aging, Mr. Roybal, will be unable to preside at today's hearing. As chairman of an appropriations subcommittee he has other commitments, and wanted me to express his deep regrets that he will be unable to attend today's session. As everyone knows, he maintains a continuing interest in this subject, and overall, the welfare of senior citizens.

We also may soon see the departure of the committee's ranking member, Mr. Rinaldo. He is on another committee that is marking up a very important piece of legislation this afternoon, and marking up always takes precedence over hearings. I will call upon him in a moment for his comments.

Other members have found that this is a day of many conflicts, so I ask the indulgence of the witnesses for their absence, but the record will be made available to all committee members.

I would also ask that the chairman's opening statement be considered and printed in the record.

[Statement of Mr. Roybal follows:]

OPENING STATEMENT OF CHAIRMAN EDWARD R. ROYBAL

The purpose of today's hearing is to examine the serious problems experienced by displaced older workers who face sudden and unwanted joblessness and retirement. All too often, older workers attempting to reenter the labor force must overcome growing instances of age discrimination, myths and stereotypes concerning the pro-

ductivity of older workers, a lack of suitable training opportunities, and policies which pose barriers to continued employment.

It is tragic that over the past five years, millions of Americans have lost their jobs due to plant closings, the decline of numerous industries, and other labor market problems, What is worse, this tragedy is heightened by statistics which show that once workers aged 50 and over lose their jobs, they stay unemployed longer than younger workers, earn less in subsequent employment, have limited access to training programs, and often become so discouraged that they give up looking for work entirely.

According to a recent study by the Bureau of Labor Statistics, between 1979 and 1984 over five million workers were displaced from their jobs due to the decline of an industry or a plant closing. The data reveal that fully three out of five displaced workers over age 55 were unable to reenter the workforce. This not only causes severe hardships for families who are forced to deplete their life savings long before they would normally choose to retire, but it results in the loss of millions of hours of productive labor to the economy.

Age discrimination in the workplace is one of the most pernicious problems facing our country today. Despite the enactment of the Age Discrimination in Employment Act some seventeen years ago, age is still far too often the major criterion used by many employers in determining who gets hired, fired, promoted, or laid-off. Age discrimination suits represent the fastest growing area of civil rights litigation. Employers who discriminate must be put on notice that this behavior is not only illegal, it will not be tolerated. With the aging of our labor force, we cannot afford to waste the vast knowledge and talents of older workers, many of whom are at the peaks of their careers. At the very least, we must do a better and more vigorous job of enforcing the Age Discrimination in Employment Act.

I am also greatly concerned that there is no systematic range of policies designed to meet the needs and characteristics of older workers who become displaced from their jobs. With the trade deficit escalating at an annual rate or more than 150 billion dollars in 1985, with factory use declining for seven straight months, and with the economy showing further signs of slowing down in several major industries, the jobs of hundreds of thousands of older Americans are likely to continue to disappear during the next few months alone.

Today we will begin to examine more closely the effects of these labor market problems on displaced older workers, their families, and entire communities. We expect to hear testimony and receive recommendations which will help to provide the basis for more coordinated and effective national employment and training policies. If we are to benefit the economy, enhance national productivity, reduce the cost of private pension systems, and strengthen the Social Security Trust Fund, we must do a better job of providing employment opportunities for our older workforce. I look forward to receiving the testimony from our expert panel of witnesses before us today.

Mr. BONKER. Today's hearing is really one of the newest dimension to the ongoing plight of senior citizens. Indeed, the plight of displaced older workers is quickly becoming a national tragedy of huge dimensions.

As the title suggests, seniors who are still employable, find themselves in jeopardy, and really without many options to make up for lost opportunities in the job market. They have held jobs in many instances, for years, with a particular industry, and, through no fault of their own, that particular industry may have to shut down.

While younger people have new opportunities through job retraining, additional flexibility, or other access to the job market, it is increasingly difficult for senior citizens to follow a similar path.

One can pose the question why we find ourselves in this sad state of affairs. Obviously, the recession of a few years ago, heavily impacted many of our domestic industries which caused job displacement for many workers, including seniors.

But, I think we now see a new and more ominous threat to America's industry and notably, its workers, and that is, the growing trade deficit. Unfortunately that trade deficit continues to

expand, it signifies that these dislocations will occur in our economy at a more rapid rate.

Last year, the trade deficit was posted at $120 billion. When one looks at the industrial growth rate for the first 3 months of this year, which was under 1 percent, despite the fact that consumer spending was up considerably, one can only conclude that those imports represent a very serious threat to our domestic economy.

Our industrial base is rapidly declining, and, with that, of course, the jobs that are associated with it.

According to the Bureau of Labor Statistics, the prospects for reemployment are indeed pessimistic. For older people, it is even more bleak. Reemployment rates among workers who are in the age range from 55 to 64, was slightly over 40 percent, for those age 65 or older—only 21 percent.

Additionally, according to Dr. Lynn Brown, from the Federal Reserve Bank in Boston, older workers often face double jeopardy. Not only do their long tenures place them at the higher end of the wage scale, making them more vulnerable than others when displacement occurs, but their age often deters employers concerned with demands older workers might make on health and pension funds.

So, I guess the question is, after a mill is shut down or job displacement occurs, what alternatives are available to those who are in their last 8 or 10 years of their working careers?

According to the information that the staff has prepared, those options are very limited. The Reagan administration policies, really have been aimed towards eliminating many of our job retraining programs as part of deficit reduction. But, nonetheless, no one else is going to pick up the slack. The Federal Government does not assume the responsibility. And, despite studies that have demonstrated over and over again that the more senior worker is more reliable and more productive, there are continuing myths about their capacity to work, and thus, a certain kind of discrimination exists.

So, this committee today, will be hearing firsthand from witnesses, some of whom have experienced displacement, in order to gain a better understanding concerning the nature of the problem, and, hopefully, look for some possible solutions.

I would suggest that we could see the Federal Government taking a more aggressive stance towards this growing trade imbalance, to restore America's industrial base. Additionally, we need to create incentives for employers to retain those who, in my estimation, have more to offer, and, since I am getting closer to that age range myself, those that consider themselves part of the senior workforce.

Finally, we do have an age discrimination and employment act that should help to prevent some of these difficulties being experienced by our older workers. We must ensure that this law is strictly enforced.

This hearing, of course, represent a starting point. What the witnesses have to say today, hopefully, will be a basis for a positive legislative and oversight actions in the future.

[The prepared statement of Mr. Bonker follows:]

PREPARED STATEMENT OF REPRESENTATIVE DON BONKER

Today the Select Committee on Aging is convening a hearing to examine an issue that can only be described as a national tragedy—that is, the plight of the displaced older worker.

As the title of this hearing suggests, the growing numbers of older persons who are counted among the ranks of the unemployed are indeed finding themselves "in serious jeopardy, and in far too many cases, left without any viable options or opportunities."

Many of us can identify with the displaced workers. We can sympathize with the fears and anxieties of individuals who have held jobs for many years and built lives on the expectation that they would continue—but now, through no fault of their own, lose their jobs with little likelihood of finding reemployment in their former industries or occupations. In recent years, the nightly news and the front pages of our daily papers have taken us into the homes of the laid-off auto and steel workers who face the dim prospects of an uncertain future. The look of dispair and discouragement on the faces of those once proud workers serves as a constant reminder of our own vunerability. Certainly, it takes little imagination to place ourselves in the same situation.

How did we reach this sad state of affairs and what are the prospects for the future?

First of all, the back-to-back-recessions in 1980 and 1981–82 resulted in the highest unemployment rates of the post-World War II period. In addition, the growing trade imbalance, coupled with technological changes in the work place, have contributed to millions of workers losing their jobs over the past five years.

The prospects for the displaced older workers are even more bleak. Most continue to face extreme difficulties in trying to return to the labor force. According to a recent study by the bureau of labor statistics, the reemployment rate among displaced workers age 55 to 64 was 41 percent, and for those age 65 or older—only 21 percent. The discouagement faced by many of these workers, has contributed to a large proportion to leave the labor force entirely—rather than continue to be counted as unemployed. Thus, it is very likely that this group's unemployment rate may understate its labor market difficulties.

In addition to these grim statistics, older workers confront a host of other difficulties. According to a recent study by Dr. Lynn Browne in The New England Economic Review, the older worker faces double jeopardy. Not only do their longer tenures place them at the higher end of the wage spectrum—but their age often deters prospective employers concerned about demands they might make on health and pension plans. Loss of seniority and lower wages can make adjustments to new employment opportunities extremely difficult—if not economically impossible.

In spite of recent modest upswings in the economy, the real issues of structural unemplyment continue to present barriers to the vast majority of older workers. Our research reveals that few training programs exist which meet the needs and characteristics of displaced older workers, and those that do, frequently are not well coordinated and lack comprehensivness. Both the private and public sectors lack a systematic approach to providing new options and oportunities for these workers. At a time when older workers are experiencing substantial problems, the policies of the current administration have consistently tried to eliminate job training assistance. The Federal response under the Job Training Partnership Act [JTPA] has been wholly inadequate. Though there is a special fund set-aside for older workers under JTPA, most State plans fail to mention them as a target group, and only a handful have actually assisted them.

Despite studies that demonstrate that older workers are more dependable, exhibit the same degree of productivity, and stay at their jobs longer than younger workers, age-related myths and persistant discrimination severely limit opportunities for training and employment.

Today we should vow to begin breaking down these barriers to reemployment. Federal policy must take a more aggresive stance in dealing with the growing trade imbalance. In addition, we need to develop responsive programs which provide employers with those incentives necessary to retrain and make use of the talents of older workers. Finally, greater efforts and emphasis must be provided in enforcing the provisions of the Age Discrimination in Employment Act.

This is a critical issue—one which deserves our continued attention and action. It is my hope that today's hearing will represent a first step in a renewed effort to find solutions and restore the hope of millions of jobless Americans.

Mr. BONKER. At this time, I would like to call on the distinguished ranking member of the Aging Committee, Mr. Rinaldo.

STATEMENT OF REPRESENTATIVE MATTHEW J. RINALDO

Mr. RINALDO. Thank you very much, Mr. Chairman. The Chairman was very kind in explaining some of the conflicts that many of the people in this committee have on this extremely busy day.

For example, I have three committee meetings going at once. I should also mention, that he deserves to be applauded for being here, when he is, has a responsibility for chairing another meeting at the same time. I think it gives you some idea of the way we have to juggle a number of balls in the air simultaneously.

I am pleased that Chairman Roybal has called this hearing today to examine the needs of displaced older workers. It has always been one of my top priorities, and it is an extremely important area that Congress must investigate and come to grips with.

As ranking minority member of the Select Committee on Aging, one of my top priorities has always been to expand job opportunities for older individuals.

The older person who wants to work, or needs to work, often faces severe handicaps. Some are victims of declining industries and shifting job patterns. Many face rampant age discrimination. Others are turned away from training programs. According to Department of Labor statistics, over 5 million workers lost their jobs due to industrial entrenchment or plant closings in the past 6 years alone; 157,000 of those workers are in my own State of New Jersey. Workers' chances for reemployment, decline significantly with increasing age. And, those lucky enough to find a new job or position must often accept it at sharply reduced rates of pay.

Many older individuals simply give up looking for work, and travel down an irreversible path of economic, physical, and emotional decline.

In my view, there are a number of concrete steps the Congress must take to ensure that older workers have every opportunity, and that employers base decisions on ability instead of age.

First, Congress must enact comprehensive legislation to eliminate mandatory retirement and other forms of age discrimination in employment, regardless of age.

Second, Congress must ensure that the Equal Employment Opportunity Commission vigorously and, effectively enforces the Age Discrimination and Employment Act to the fullest extent of the law.

Third, Congress must do more to encourage businesses to hire older workers. Chairman Roybal, Congressman Pepper, and a number of other Aging Committee colleagues have joined me in introducing legislation—H.R. 1512—to amend the targeted jobs tax credit to include disadvantaged workers over age 55.

Finally, we must make absolutely certain that federal job placement and training programs adequately address the needs of displaced older workers.

Frankly, I am concerned by evidence that mature individuals are not being adequately served by programs under the Job Training Partnership Act and other employment legislation.

It is obvious to me, and I am sure to the Chairman, from his comments, that older workers want to remain independent, productive taxpaying members of society. And, I think it is our job here today, with some of the guidance that we will obtain from the statements that are going to be placed into the record here, to ensure that they have that opportunity.

So, I want to thank our witnesses, and, once again, thank the acting chairman of this committee, Mr. Bonker, and Chairman Roybal, for convening this hearing.

Mr. BONKER. Thank you, Mr. Rinaldo.

Mr. RINALDO. Incidentally, Mr. Chairman, I would also like to request unanimous consent at this point, that the hearing record remain open for 2 weeks, so that additional material may be submitted for the record.

Mr. BONKER. Without objection, so order.

Mr. Synar is here, from the State of Oklahoma. A very distinguished member of the committee.

Mr. Synar, do you have an opening comment?

STATEMENT OF REPRESENTATIVE MIKE SYNAR

Mr. SYNAR. Just a couple of comments, Mr. Chairman. First of all, as you pointed out in your opening statement senior citizens are protected from age discrimination if age is not a bona fide job qualification. However, that law only applies to employers with 19 or less workers, and that can be a potential problem in rural America, where most jobs will involve industries that have less than 19 people.

This could be creating a new class of poor, not only in the urban areas, But in the rural areas as well. Today testimony will be very helpful and, I look forward to hearing how this problem applies to those people in the more rural areas.

Mr. BONKER. We are pleased to have joining us also, a distinguished member of the committee, Mr. Saxton, from New Jersey.

STATEMENT OF REPRESENTATIVE JIM SAXTON

Mr. SAXTON. Thank you, Mr. Chairman. As you mentioned, I am from New Jersey, and a new member here, after having served in the State legislature for almost 10 years. And, I have firsthand experience there, to experience problems associated with employment opportunities for those who have reached an older age. Perhaps, that is, at least in part or maybe largely because New Jersey, is one of those States which has shifted gears in terms of employment opportunities for all people. Shifted, that is, from basically an industrialized State, to one where modern technological service providing industries are growing very rapidly.

And, so, it is the type of atmosphere in which many people who have worked for many years in industrial-type jobs, find themselves unable, or at least, it is very difficult for them to find work in the new types of service industries and computer age technology, where jobs are available.

I think that is one of the areas which I would certainly like to hear about from any of the witnesses who will be testifying today. Thank you.

Mr. BONKER. Does anybody else have an opening comment before we call up the first witness? Ms. Bentley.

STATEMENT OF REPRESENTATIVE HELEN DELICH BENTLEY

Ms. BENTLEY. Thank you, Mr. Chairman.

As a member of the House Select Committee on Aging, I am most optimistic in this committee, playing a major role and addressing the current problem of displaced older workers in our Nation.

The problems of unemployment resulting from displaced older workers, not only affects older Americans, but directly affects every segment of our society.

In my home State of Maryland, a significant portion of the population has been displaced from their jobs, as a result of domestic industries being forced to close down. We must reverse the current trend of our eroding industrial base to prevent additional American workers being forced to become unemployed.

However, the problem of displaced workers presently confronts us, and I am looking forward to working with this committee to respond to the needs and concerns of displaced workers.

Thank you, Mr. Chairman.

Mr. BONKER. Thank you, Mrs. Bentley.

Mr. Fawell, do you have an opening statement?

Mr. FAWELL. No, I do not.

Mr. BONKER. Mr. Siljander, do you have an opening statement now that you have arrived?

Mr. SILJANDER. Nice to be here. That is the best statement of all.

Mr. BONKER. At this time, I would like to introduce for the record, the prepared statements of Representatives John Paul Hammerschmidt, Marilyn Lloyd, and Norman Sisisky.

[The prepared statements of Representatives John Paul Hammerschmidt, Marilyn Lloyd, and Norman Sisisky follow:]

PREPARED STATEMENT OF REPRESENTATIVE JOHN PAUL HAMMERSCHMIDT

Mr. Chairman, thank you for convening this hearing today to examine the needs of displaced older workers.

This issue is especially timely in light of our country's sustained economic growth over the past five years. A growing economy generally increases employment opportunities for workers. But, we are concurrently in the process of technological change which has severely affected the utility of many jobs, making some of them obsolete and prematurely displacing those workers performing them. Recent statistics from the Department of Labor and the Congressional Research Service have shown that most of these displaced workers, whether from the agricultural or industrial sector, face difficult problems in their ability to find new, financially satisfying, secure jobs.

Machines are often used to perform many of the tasks once done by older workers. And, today's rapidly changing economy requires skills different from the ones possessed by older workers. Thus, older displaced workers experience greater obstacles in finding new jobs than do their younger counterparts. They often wait as long as five months to find a new job, and experience greater pay cuts—sometimes up to 20 percent or more—upon reemployment than do younger workers.

This hearing provides us with an opportunity to discuss the ways in which the Federal Government and the private sector can work together to solve this particular problem. It seems to me that assisting displaced older workers is a task which can be undertaken—perhaps most successfully—by the two working together.

As more workers in our society live and work longer and industry continues to change rapidly, older workers are at the greatest risk of being left behind. The experts have told us, and many members have seen in their own districts, that there is a need for retraining, relocation, and job placement assistance.

Mr. Chairman, I'm looking forward to hearing from our distinguished witnesses today on ways in which they think government and the private sector can help older persons remain vital members of the labor force, and how those workers still displaced can be assisted.

Prepared Statement of Representative Marilyn Lloyd

Mr. Chairman, the subject of today's hearing is of great importance to millions of middle-aged and older Americans who have already lost or are at risk of losing their livelihoods due to circumstances beyond their control, such as plant closings, an employer going out of business, a layoff from which he or she was not recalled or other similar reasons.

The information compiled by the Bureau of Labor Statistics in its five year study of displaced workers has confirmed what many of us already knew or suspected, that the chance of reemployment for displaced workers declines significantly with age. The statistics speak for themselves: of the 5.1 million workers who were displaced from their jobs during the five year period of the BLS study (1979–1984), only 41 percent of those between the ages of 55 and 64 were reemployed as opposed to 70 percent of those between the ages of 20 to 24. For those 65 and older, the percentage dropped to 21 percent.

For the older worker, the loss of a job in a declining industry or occupation can be financially as well as psychologically traumatic, causing a major disruption in their lives and the lives of their families. Wage loss, duration of unemployment, and the likelihood of premature retirement are greater when there are adverse conditions in the local and national economy.

Studies reveal that when the economy is at 8 percent unemployment, almost one-half of 60-year-old job losers retire, as opposed to only 18 percent when the economy is at 4 percent unemployment. The implications, I think, are clear: Most older workers when given a real choice would prefer gainful employment to premature retirement.

For many older workers, those who are not covered by pension plans or who do not meet the eligibility requirements for early retirement, there is no such choice. They are forced to look for jobs elsewhere, and the search is all too often long, difficult and debilitating.

Even those who have had the benefit of retraining are likely to find themselves at a disadvantage in competing for employment with younger workers who have had on-the-job experience.

It is my hope that these hearings will help us to better understand and respond to the special problems of older workers who suddenly find themselves in jeopardy and out of opportunities in a strange and uninviting job market.

Prepared Statement of Representative Norman Sisisky

Mr. Chairman, as we change from a heavy industrial to a service—information economy, hundreds of thousands of older workers are being forced out of the labor force. Jobs have disappeared, and many skills aren't readily transferable to other fields. We're hearing that these workers face particular difficulties, complicated by age, in trying to reenter the labor market.

The worker aged 40 and above is usually an established, contributing member of the community, a homeowner, family member, a taxpayer and an active consumer. But on the average, this same 40-plus worker has less formal schooling, is more likely to be employed in declining industries and occupations, and may be experiencing unanticipated mid-life events such as major health or disability problems.

The termination of a long held position can be devastating for anyone, but since older workers stay unemployed longer and often must accept a significant pay reduction when reentering the job market, the loss is all the more difficult. It may lead to economic hardship and threaten the prospects of a secure and comfortable retirement. Long-term unemployment for the older worker also can mean the end of health and life insurance and pension benefits, not to mention the sacrifice of a college education for his or her children.

Moreover, we're all affected by the loss of productive workers in the labor force through increased Social Security, public assistance, compensation and other payments, reduced savings and taxes, and increased stress on community resources.

We've invested in training and retraining programs, and these efforts have helped to ease the rift between the skills of the existing worker and jobs now in demand. But considering the growing problems of the older displaced worker, we have to ask

ourselves "Are we reaching enough of the right people?" Are our policies responsive to their particular needs?"

We need to reassess our policies in terms of their impact on employment patterns. And while age discrimination exists in the labor market, we must acknowledge that many of the problems older workers faces are due to causes other an than age discrimination. Employment policies and programs must treat directly the labor market problem causing this older worker tragedy.

Mr. BONKER. OK. We will now call to the witness table, Mr. Pomponio. Mr. Pomponio, represents for today's hearing, that classic example of a senior displaced worker. He was previously employed with United States Steel. Had 20 years of employment there, had a stable job, respectable salary, and enjoyed relative security.

The plant was not shut down, as I understand it, but there was a temporary layoff. I do not know what that means, but it usually means that you may or may not get your job back. Meanwhile, unemployment insurance can take you only so far before you have to seek reemployment.

Mr. Pomponio, represents that unfortunate saga of a person who has had to deal with the harsh realities of an older unemployed person.

In any case, I think he will provide for the Members today, testimony that is highly relevant to the issue that is before this committee.

Mr. Pomponio, we are delighted that you are here. We are looking very much forward to your testimony.

STATEMENT OF RICHARD POMPONIO, DISPLACED STEELWORKER FROM THE STATE OF PENNSYLVANIA

Mr. POMPONIO. Mr. Chairman, my name is Richard Pomponio. I am 52 years old, and I worked all my life, since I was 12 years old. I started out as a paperboy. I went to a grocery store as a clerk, and in 1952, I went with United States Steel National Tube Co., in McKeesport.

I started in October 1952. Then, in between time, I went to the Navy, to help my country during the Korean conflict. When I got my honorable discharge, I went back to the mill. I worked there until 1982. That is when I got laid off.

At first, I did not worry. I thought it was temporarily. After a few months, I began to worry, what is happening to me. I did not realize that when I signed for my last check, what am I going to do. I had children in school. I had mortgage payments, and payments and repairs on my house.

My wife was working as a waitress. The money she was making per day, she would go and buy the groceries that she made on her tips that evening. But, then along came Mr. Reagan, who thought that was a luxury, the tips that she was making, so he put an 8 percent tax on the checks that she was serving the people.

In other words, if she took in a $30 check and made $1 tip, it was costing her $2.40 to wait on that person. It ended costing her money and then she had to quit her job, and she ended up getting a job for the Mon-Valley Unemployment Committee, to help other unemployed people.

While she was trying to help other people, we were getting into a bind. My bank payments were getting behind. My utilities were going up, and I was struggling.

The county where I live in Allegheny County, put a program out for the dislocated workers, and I thought that would really help me. I went to school for three semesters. I had accounting background while I was working in the mill. I took up accounting principles. I thought it would help me in finding a job in my field. Boy, was I wrong. I have worked on many résumés. Here it is 3 years later, I am still looking for a job. I felt like a broken-down old man.

As soon as any prospective employers see that I am 52 years old, and worked for United States Steel, all I am told is that I am overqualified or, not in so many words, that I am too old.

I have pounded the streets, written and sent over 200 résumés, to no avail. Mr. Chairman interrupted us a little bit, because since I did write this, there was a company that did call me the other day, and their bookkeeper took sick, so he is taking a little chance on me, and he has given me a temporary job.

Mr. BONKER. Is that at the same wage level that you enjoyed before?

Mr. POMPONIO. No. It is only about 40 percent, maybe a little less.

What you people have done to my generation is a damn shame. Nobody wants me because I am 52 years old. But, they do not stop to realize that they would be getting a dependable person for their job. I am willing to learn the way I am needed for any new job.

I have to get back in the workforce. No. 1, I would be paying taxes again. I have to save my home. I just put my house up for sale, after paying 12 years on the mortgage. I have kept my house up in good condition, but I also have repair payments to make. I have to have a job to keep my sanity.

What society and Government has done to me, I would not do to our worst enemy. They took my job away from me, no income, I am losing my home. I am fighting with my family. I have headaches, heartaches. It is just no good.

While I am having these problems, the Government gave United States Steel a $1.6 billion tax break to lay me off and do away with my job. But, poor me. My taxes, utilities, and the cost of living keep on going up.

They are asking all the working men for concessions, but the big bosses keep getting raises. The chairman of the board, got 6 to 8 percent raises in the last couple of years. I am losing my home, while they are living in luxury. If they cannot pay for something, they get a tax break. What do I get, I get kicked out of my home.

I have a lot of qualifications and skills in a lot of work areas. I am qualified as a bookkeeper, but my age says, no.

My daughter just graduated from high school this year. She will not be 18 years old until September. She applied for a job with a CPA firm one week after school was out. No accounting background, but she is happily working. She started 3 days later.

So, just to think, at my age, I could not even give my daughter a graduation party like I did the rest of my children.

Mr. BONKER. Well, Mr. Pomponio, I think you have hit the target. You have been struggling with this problem of displace-

ment, and obviously, you are still not fully employed, and certainly nowhere near your income level of the previous employment.

Let me ask you just a few questions and then I am sure the committee members would be interested in learning more about your experience.

Is there anything really different about your being laid off after 20 years of working experience and being older, than someone who is laid off at the same time, who may be 15 or 20 years younger.

In other words, we all know about the social cost of unemployment, and the tragedies that accompany the statistics. We are trying to focus on the unique features of an older worker being laid off.

Can you point to a few of them for us?

Mr. POMPONIO. Sure. I will give you an example, myself. I came out of the Navy, in 1958. And, if you look back in 1962 to 1965, the steel industry was in trouble then. And I was laid off for 3 years. But, I never had to collect one unemployment check, because since I walked out of that mill, I went somewhere, applied for a job, and I was hired right away. I was only about 35 at the time, about 30, when this happened.

Now, sure, there is a big difference. Because, like I said, I am the only one in my family that is not working. I have four children that graduated from school. They are working, including the one that is not even 18 years old yet.

Mr. BONKER. You said that you sent out 200 résumés, and you look like a go-getter kind of person who is going to get out there and hustle, rather than sit back and look for a handout.

Do you pick up in these encounters with prospective employers, that because you are older, you are not employable?

I mean, do you sense that kind of subtle discrimination?

Mr. POMPONIO. Well, when you send these résumés out, sure, they are not supposed to say it is your age, but there are many different questions in that résumé that says, "When did you graduate?" I graduated in 1952. "How many years did I work somewhere?" If I tell them it totals 30 years, they are going to say oh, that man is not young. He is old." So, they just throw that résumé into the—in fact, I will be honest with you, the job that I got, as a part-timer, I did not give that man a résumé. He called the job center up and asked if they knew where they could get a temporary bookkeeper, because his regular bookkeeper was sick.

Mr. BONKER. Have you looked around at possible job retraining programs?

Mr. POMPONIO. I have done everything. I went to campus in the Pittsburgh area. They had a dislocated worker program. I furnished the background I had from United States Steel, with what I was, and I think I have the qualifications. In fact, I brought my résumé with me to show you.

Mr. BONKER. I do not think the committee staff is hiring right now, but we will keep it, no problem.

Mr. POMPONIO. Well, OK. I am just saying that is the way I feel. In fact, I will tell you what. Just about a month ago, I was ready to give up everything. A month ago, I put my house up for sale, my youngest daughter graduated from high school, and I really

thought I had nothing else left to do. And, I really feel that there was a brick wall put in front of me, I cannot go anywhere else.

Mr. BONKER. For the benefit of the committee members, I am going to call upon you, in the order in which you arrived. Since I am substituting for the chairman, I am not familiar with the seniority ranking, particularly on the other side.

So, Mr. Synar, you were the first to come in.

Mr. SYNAR. I do not have but one question, and I think you pretty well hit it. Now, you are from McKeesport, PA.

What is the employment picture up there?

Are there jobs available?

Mr. POMPONIO. OK. In McKeesport, they are telling you that the unemployment rate is 11 and 12 percent. I think it is 26 to 27 percent. Everything is closing down. No, there are no jobs. If you just ride up the main part of Fifth Avenue, in McKeesport, if there are 15 buildings, 10 of them are closed up.

Mr. SYNAR. Are you finding your problems of trying to find employment the same with all people, regardless of age?

Mr. POMPONIO. Well, no. My daughter got a job. It is in McKeesport.

Mr. SYNAR. So, you are saying that in the McKeesport area, that the people who are having the most difficult time are in that age bracket of, let us say, 45 to 55?

Mr. POMPONIO. Right. Because, right there, the person knew me that hired her, and at the time, he made me feel, I do not need you now, and a few days later, well, a week later, my daughter went there. All she did was put the résumé on his desk and walked out, and she was not even interviewed.

Sunday, was graduation, Monday she put her résumé in there, Tuesday, she got the phone call to come to work Wednesday morning, at 9.

Mr. SYNAR. Pretty quick action.

Mr. POMPONIO. For $4.15 an hour, is what she is making.

Mr. SYNAR. Do you have any indications on why you are being rejected?

Is it because of the potential insurance problems that they would face in insuring someone as old as you, or is it because of qualifications?

Have you heard of any reasons, either officially or unofficially as to why?

Mr. POMPONIO. At the beginning when they knew I first got laid off from United States Steel, all I kept on hearing was look, we cannot pay you what you were making. You are overqualified. I heard that many, many, many times. I was at 200. Well, at the beginning, I did not have 200. Now, I have over 200. But, at the beginning—when I was just looking, you know, getting out of my benefits, and it was time to go look, and blah. Oh, we cannot hire you. We are not going to give you $16 an hour. We can only give you maybe $4 an hour. We know you are not going to be happy working with that.

Mr. SYNAR. Thank you, Mr. Chairman.

Mr. BONKER. Thank you. Mr. Saxton.

Mr. SAXON. Mr. Pomponio, I can sense the frustration that you have after having had so many interviews and not being able to

find a job. And, I just thought it might be interesting to follow up on Mr. Synar's question which, obviously demonstrated that your particular section of the country may be one where there is a problem that is perhaps, more aggravated than it is in other sections of the country, if you indicate that your unemployment rate is so high.

I guess a couple of general areas. Can you describe for us what agencies there are in your area that would provide help in retraining and helping you to find a job, including, perhaps, did you belong to a labor union, and did they do anything to try and help you? But, extend beyond that last part of the question into, community college training.

Mr. POMPONIO. Like I said, I did try to further myself. I did go—Allegheny County did put the funding up for the dislocated worker, and it was great. I said, hey, I am going to get my education. I am going to get my associate's degree, and then, I am going to go out and get a job. Sure, I thought that all along.

And, there are job training centers there. There are—they are trying to help you, but I am just in that part where, hey, you are not here and you are not there.

I went to the employment office and there was a job in my field, and the card was there, and I wrote down the address and I went to the desk, and I says, where is this, can I go and get interviewed?

They wanted my résumé there. Never did an employment agency ever ask you for a résumé. Usually, where you go get interviewed asks for it, but now, they are even asking you the résumé even before you go to the people looking for the help.

Mr. SAXTON. Did you belong to a labor union?

Mr. POMPONIO. I belonged to the United Steel Workers of America.

Mr. SAXTON. Is there any program that is offered to displaced older workers within your union, that would provide any kind of help at all?

Mr. POMPONIO. Well, they do have what I call, a job search center. I think the USA and USS went together, and they helped you on your résumé. Because, I did not know what a résumé was. I put an application as United States Steel in 1952, and I never had to write a résumé.

Maybe at the beginning, the reason I did not get a job was because I just wrote down what I did and maybe I did not know what I was saying.

But, yeah, there are centers out there. They are helping. Some got jobs. And some, had to go out of the State to look for jobs. But, there are some people out there trying to help people look for jobs, yeah.

Mr. SAXTON. You took advantage of the retraining program then?

Mr. POMPONIO. I think I took advantage of everything that there was available out there.

Mr. SAXTON. And, in spite of that, the unemployment office that is available there, and whatever relocation programs that took place, or available, within your labor union, nothing happened?

Mr. POMPONIO. No.

Mr. SAXTON. At the end of your statement, you touched on something I was going to ask you about. I assume that from your opening statement, that you have family in the area that live close to you. And that it was therefore, difficult for you to personally decide to move to another area where employment opportunities might have been better; is that correct?

Mr. POMPONIO. Right, because you know, I have got a child, a senior in high school. How can you just pick up and say hey, you have got to lose all of your friends and get set to go out where I, you know, have got to work. It was difficult, sure.

So, I used all the resources I had, until now, where I have hit bottom.

Mr. SAXTON. Thank you, Mr. Chairman.

Mr. BONKER. Mr. Fawell.

Mr. FAWELL. The only question I have, given your set of circumstances, do you have any suggestions as to what government might be able to do, other than what government at local, State, or Federal levels, have done in the McKeesport area?

Mr. POMPONIO. Well, the point that I would like to see, and it seems like we are getting more dependent on foreign steel, just like we are on oil and stuff like that. And, we are getting steel from Japan, et cetera. And, over there, they only can take, I think it is 3 percent of their profit and do something about it. Everything else has to go back into what they are producing. And, I think the Government should step in here and tell United States Steel, hey. When I worked at National Tube, and I am talking about for the last 20 years, we put ropes on the conveyor belt so that they would transfer the pipe down. There was no money going back into those mills. And, people were getting hurt.

I saw a man, his fingers came off, three of them, because of the safety equipment that they had. And I think that is where Government should step in and say, look, you have got human beings in there. Let us make the job safe. Let us upkeep these mills. And, as long as you are keeping those mills up, it is not going to cost as much to produce a ton of steel as what they are saying it produces now.

Mr. FAWELL. I have no further questions.

Mr. BONKER. Ms. Bentley.

Ms. BENTLEY. Thank you, Mr. Chairman.

Mr. Pomponio, you said on the safety equipment, I will just start off with that. We do have OSHA, and OSHA, has been very hard on industries, on safety, I believe.

Did not you see any sign of that in the——

Mr. POMPONIO. But, I think in the past 10 years, they have lapsed. I mean, at the beginning, sure. If you did something without safety equipment or whatever on, sure, they punished you. But, the last 10 years, no. I have seen broken, what you would call, the sticks that they would push pipe over with. And you would go to the foreman and say I need a new whatever. Oh, we do not have any in stock right now, use what you have for your runners where you transfer pipe from one to another, they are breaking. The bolts are out of them.

And, if OSHA were really doing the job as strict as they should be, those bolts would be in place, and those tables would be in

place where they would not be hanging over where you could trip over them.

Ms. BENTLEY. Well, you did not have a safety committee?

I mean, the unions in most places have safety committees that require this type of thing.

Mr. POMPONIO. We had them, but, like I said, of course, I have not been working for 3 years, but for a couple of years before that, no.

Ms. BENTLEY. Well, I have a steel mill in my district. Bethlehem's Sparrow Point.

Mr. POMPONIO. And it is a newer steel mill; right?

Ms. BENTLEY. It is what?

Mr. POMPONIO. It is newer than National Tube?

Ms. BENTLEY. Well, I do not know if it is any newer, but I know that the union has a safety committee, and the safety committee is very strict on what it requires the company to have in equipment, and for simply safety.

But, that is not what we are getting into here. I understand your plight, because I do have a steel mill, and I do have a number of people who are unemployed in my district in the same way that you are. Older people from the steel mill, as well as older people from other businesses and industries, which are shut down as a result of the steel mill shutting down.

What other industries did you have in McKeesport before that are closed down?

You said when you were age 35, you could walk somewhere else if you were unemployed, and go anywhere.

Mr. POMPONIO. An insurance firm hired me when I was younger. I was able to sell insurance. There were many little shops like sweeper shops and stuff like that, that repaired sweepers. In fact, McKeesport, at one time, was the shopping capital of Allegheny County.

In fact, National Tube was at one time, going out on the streets looking for people to come to work.

Ms. BENTLEY. Are a lot of these little shops closed down now as a result of the steel mill?

Mr. POMPONIO. Not little. Big ones too. Foxes, used to be the biggest store in McKeesport, and they have been closed now I think, over a year. Green's 5 and 10, in fact, they just now tore their building down and put up a little Sheets Gas Station. There is no main store in the town of McKeesport anymore. Jason's is gone. And I am talking about people where people shopped. I do not think there is a main restaurant in the main drag right now at all.

In fact, McKeesport, is the only people that I know that had a McDonald's closed up. And, that is the truth.

Ms. BENTLEY. What is the next business community to McKeesport, the nearest large community?

Mr. POMPONIO. Um, Pittsburgh, is next to McKeesport.

Ms. BENTLEY. How many miles away is Pittsburgh?

Mr. POMPONIO. 17 miles.

Ms. BENTLEY. 17.

And the steel industry there is not that healthy either?

Mr. POMPONIO. No. I think the J&L is closed down.

Ms. BENTLEY. Would you consider moving if somebody offered you a job somewhere else now that your daughter is out of high school?

Mr. POMPONIO. Yeah. I would, yeah, because I have already looked into things. I have already got [illegible]elers from different cities, and I have my house up for sale. Sure, definitely. If I can get a job, because I do not want to sit here and brood all the rest of my life.

Ms. BENTLEY. OK, that is all, Mr. Chairman. Thank you.

Mr. BONKER. Ms. Snowe.

Ms. SNOWE. Thank you, Mr. Chairman.

Mr. Pomponio, thank you for being here to share your frustrating experience with us. Hopefully we can learn from what you are going through and, perhaps, improve some of the programs that we have here at the Federal level that we have supported over the last few years.

Mr. Chairman, I would like to ask unanimous consent to include my statement in the record at this time.

Mr. BONKER. Without objection.

[The prepared statement of Ms. Snowe follows:]

PREPARED STATEMENT OF REPRESENTATIVE OLYMPIA J. SNOWE

Thank you, Mr. Chairman. I want to commend you for holding these hearings today on the problem of the older displaced worker.

It is particularly interesting to me that at a time when the older worker is in better health and has more education than ever before, we are finding that he or she is increasingly leaving the labor force. The decline begins for men in their 40's and 50's and accelerates with age. For older women, the pattern has been different, with more women entering the labor force later, when employment opportunities exist.

What becomes apparent when we are dealing with the issue of the displaced older worker is that declines in labor force participation are likely not be voluntary, but rather a result of the economy and of patterns in the labor force which mediate against the employment of older persons.

It is interesting to me that at age 40 or 45, we see individuals who can no longer find employment. In some cases this is because they do not have the necessary skills to be reemployed. Others are unable to migrate to areas where jobs may be available. In a great many other situations, the industries in which these "older workers" are employed are not industries that are growing. When we begin to explore the issues of the older worker who is aged 60 or 65, there is little wonder that so few are fully employed.

In the highly industrialized states of the Northeast and the Middle West, where once the steel, automobile, and shoe industries were the fabric of the workplace, we are now seeing a decline which is affecting the older worker. In New England, in January of 1984, the Bureau of Labor Statistics found that over 45% of displaced workers who lost their jobs were displaced because their plant either closed or moved. Nationally, among those 55 and over who were no longer in the labor force, the median length of time they had been without work was a staggering 61.2 weeks. It seems that the older workers are not leaving the jobs so much as the jobs are leaving them.

The tragedy, of course, is the lost productivity that results when older workers can no longer contribute—productivity on both a personal and societal level. Many workers at age 65 have numerous years ahead of them in which they can be productive, contributing citizens. It is ironical that in our efforts to aid older workers, we have systematically eroded mandatory retirement provisions, and yet, there has been little discernible affect upon the downward trend in employment of the elderly. If the situation of the displaced worker is indicative, then we may assume that ending mandatory retirement is not enough since it is not going to help a large number of older workers. It is unclear that they will have better access to employment opportunities in their future unless we address the problems of older workers now.

Mr. Chairman, I look forward to the comments of the witnesses.

Ms. SNOWE. Mr. Pomponio, you said that you were involved in a program for dislocated workers, and that you took some accounting courses for what, 3 years?

Mr. POMPONIO. Three semesters.

Ms. SNOWE. Three semesters, right.

But, you did not find that helpful. Could you tell me, was the dislocated workers program structured so that it helped you with any job placement at all?

Mr. POMPONIO. The dislocated worker, what that was, they paid your tuition and your books, and you could take—it was just like going to college, I think is what that was.

Ms. SNOWE. I see.

So they were not, in any sense, trying to assist you in finding a job and preparing you for retraining in any way?

Did they give you any counseling services, for example?

Mr. POMPONIO. There was counseling service there.

Ms. SNOWE. What did they recommend to you in terms of trying to find a job?

Mr. POMPONIO. Continue your schooling.

Ms. SNOWE. Continue your schooling?

Mr. POMPONIO. Right.

Ms. SNOWE. That was it?

Mr. POMPONIO. Right.

Ms. SNOWE. Have you ever talked to them about your frustrations in trying to obtain a job?

Mr. POMPONIO. I talked to everybody. All they said on that was they will see what they can do.

Ms. SNOWE. Were there others laid off at the time that you were laid off in 1982?

Mr. BONKER. Mr. Pomponio, would you lift the mike up a little bit?

I know you are responding directing to Ms. Snowe, but for the benefit of everybody in the room.

Mr. POMPONIO. All right.

Mr. BONKER. That is much better.

Ms. SNOWE. So, others were laid off in 1982. Is that correct?

Mr. POMPONIO. Oh, yeah. That was the biggest year.

Ms. SNOWE. That was indeed a terrible year.

Can you tell me, have others shared similar experiences and frustrations?

Mr. POMPONIO. Yeah. My son-in-law just recently. They have their home up in a little community called Fort View. Him and his father just came—in fact, they are down in the District of Columbia now. They have been ironworkers for, my, the father has been an ironworker for 20 years. And, neither one of them could get jobs there, but I understand they came down to the District of Columbia. They got down there at 8 one morning, by 8:30, they were working.

Ms. SNOWE. Well, I can sympathize with the problems. I know, I come from the State of Maine, and we have a number of individuals who lost their jobs because of imports. The shoe industry is facing severe problems in that respect. Several of the local governments and agencies are providing training or retraining, for dislocated workers, particularly shoeworkers.

Is your local government in any way, assisting those who have lost jobs in the steel industry?

Mr. POMPONIO. What I am trying to say is there is so much retraining. That is all you hear anymore. In fact, that is the main word in your vocabulary. But, where are there jobs at the end of that training?

Ms. SNOWE. Well the point of retraining, Mr. Pomponio, is to train you for jobs that might be available, not for jobs that are not available. That is what I am trying to get at here today. Based on what you have told the committee, I think that the problem is that job placement has not been part and parcel of your retraining.

Mr. POMPONIO. No. Right.

Ms. SNOWE. So, there has to be job placement, obviously. And, you are also telling us there are not jobs available in your area, or, if there are, you have been rejected based on what you consider to be an age problem.

Mr. POMPONIO. Well, I think if you look back just 10 years, the city of McKeesport, had 55,000, and now, 10 years later, it is down to 32. And, out of that 32, most of the young ones are gone.

Ms. SNOWE. It must be endless.

Mr. POMPONIO. Yeah.

Ms. SNOWE. So, I guess what I am trying to ascertain here today is whether job placement is a key factor with respect to the problems that you have been facing.

Did your local government provide any training program at all, such as the Job Training Partnership Act which was passed by Congress.

Mr. POMPONIO. Training; sure.

Ms. SNOWE. But, they do not provide the placement.

Mr. POMPONIO. The jobs, no. Because there are not any.

Ms. SNOWE. I am asking this question, because, in Maine, we have had some very successful retraining programs. As you probably know, Maine is a rural State by nature, and, so, there are not a lot of jobs. But, we are providing retraining to shoeworkers who have been in your same situation. They have worked in the same job for 25, 30, and in some cases, 40 years, and that is all the work they have known.

But, they are in the process of being retrained, and placed in jobs. I think that is the key factor. It has to go one step beyond the retraining. And so, I am trying to determine what happened in your case, and in the case of others like you.

Mr. POMPONIO. Well, OK. I think up in your state, you have a lot of high tech stuff?

Ms. SNOWE. No, we do not.

Mr. POMPONIO. You do not?

Ms. SNOWE. No; Maine is predominately a manufacturing State. The fact is, many of the dislocated workers in this country are losing jobs in the manufacturing sector.

Mr. POMPONIO. OK, now, take the shoeworkers for instance. At the end of this training, where are they finding these jobs?

Maybe Maine can come down to McKeesport and say hey, look, this is what we do, why not you?

Ms. SNOWE. That is right. And, I guess the point that I am making at here is that you said you submitted 200 resumes to no avail.

Mr. POMPONIO. If not more.

Ms. SNOWE. So, there were obviously 200 jobs available. And, what I am saying is, that something has gone wrong, not with you, but with the programs that we have in place You are also referring to the problem of imports, and that is a larger problem. We are all trying to fight imports.

Mr. POMPONIO. Right.

Ms. SNOWE. In many respects, believe me the shoe industry is not the only problem in the State of Maine. I could list a number of other problems we are having, that are import related.

But, we are getting to your specific problem here, and that is to try to find jobs for those individuals who are losing jobs, many of whom will never be able to get a job back in the steel mill again, or, in Maine's case, in the shoe industry.

So, that is what I am trying to get at here today with you. What can we do here in the U.S. Congress, to assist you in developing a program that will lead you to a job.

Mr. POMPONIO. I do not know what the answer is to that, because I think, this is just one person saying, I thought I had done everything that I possibly could to go out and look for that job, and it has not been there. And, the more I am not getting a job, the older I am getting, and the worse it is getting.

Ms. SNOWE. That is right. Indeed, you have. So, that is why I am asking the question, what can we do to restructure the programs that we support in order to address the problems that you are facing.

Do prospective employers tell you that you are too old?

Mr. POMPONIO. They are not allowed. You know that. But, soon as they see on my resume when I graduated, et cetera, or that I put 20 or 30 years in the mill you know.

So, at the beginning when I sent 200 resumes, I was reading the want ads. But, now, later on, I found out those are the worse places to go look for a job.

Now, I started to, you know, I am going to the people that thought they would be interested in hiring somebody.

Ms. SNOWE. Thank you, Mr. Chairman.

Mr. BONKER. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. And, I would like to ask also, that a statement that I have put together, be included in today's record.

Mr. BONKER. Without objection.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF REPRESENTATIVE CHRISTOPHER H. SMITH

I would like to congratulate you, Mr. Chairman, on scheduling this important issue for review.

Mr. Chairman, we recognize today what has been termed a "restructuring of the U.S. economy". This restructuring is a shift in emphasis from manufacturing goods to providing services, and it has, indeed, cost hundreds of thousands of older workers their jobs.

Since 1979, factory jobs have reportedly fallen by eight million. As a result, our economy is burdened with displaced workers, and too often these displaced workers

are older workers who remain unemployed—in effect forced into retirement. Some do find other jobs, but such jobs are often at lower pay, constricting already tight budgets.

In addition, to changes in the U.S. economic structure, cost considerations in the competitive business world can also cause the displacement of older workers. Managers and administrators may force out older workers who through many years of hard and dedicated work have become higher salaried. Administrators who deal in numbers alone look to see the sometimes two new workers can be brought on the work force at nearly the same cost as one senior employee, ignoring the incalculable contribution made by the knowledge, expertise and experience of the senior worker.

Mr. Chairman, as you know, work is a basic source of identity for most Americans and especially for our older citizens. When older workers lost their jobs, they may need a helping hand to get back on their feet, to regain that sense of pride and dignity, and to find other work.

By meeting here today, Mr. Chairman, we acknowledge our obligation to help protect this country's older, displaced workers. Today we will define the problem, and—through the testimony presented by our esteemed panel or witnesses—we will be better able to develop appropriate solutions to address it. I look forward to today's testimony.

Mr. SMITH. I was detained at a Foreign Affairs Committee meeting; otherwise I would have been here earlier.

I just have a brief comment, and perhaps a question. I can certainly empathize with you, Mr. Pomponio. We have, in my district a wire road plant in the city of Trenton. It recently closed down due to imports. Many of the men who were laid off, sought training for a new job, and some found at the conclusion of that training, that it was a dead end.

We also have other manufacturing plants nearby. The age issue, however, was a compelling one for many who had sought retraining. Although, as you pointed out, it is never stated that way. So, I certainly can empathize with your experience.

We do have in our area very active implementation of the Job Partnership Training Act. In fact, our Private Industry Council is doing an outstanding job in trying, and I say, trying, because they keep running into those barriers that you mentioned to retain and place displaced workers.

I was wondering. A moment ago you said you were trained. What were you trained for?

Mr. POMPONIO. OK, excuse me. When I worked for United States Steel, when you are in accounting, you only do one phase of accounting. I did payroll. So, when I went out, I thought well, I can still labor, because I labored in the mill before I got this job. But, when this dislocated worker program came along, I says, look, I am not going to get a job with just what I knew from the mill. So, I took up accounting, accounting principles, which covers the whole phase of the accounting. And, like I said, I went three semesters. And all I did was bring my accounting background up to date, is what I did.

Mr. SMITH. Was that three semesters in a community college?

Mr. POMPONIO. Yes; that is what it was. Here, you need 60 credits to get an associate's degree, and I am up to 33 right now.

Mr. SMITH. Are they providing you any guidance as to the availability of jobs? Whether or not there's a flood of accountants in the area?

Mr. POMPONIO. Well, no. There is no guarantee of a job.

Mr. SMITH. Oh, I know. But, very often their counselors can provide you with at least a hint as to whether or not when you do get out there will be jobs available in your field.

Mr. POMPONIO. Oh, there will be at the end, sure.

Mr. SMITH. How about your coworkers, those who were similarly laid off.

Are they in similar straits?

Mr. POMPONIO. Oh, yeah. They are scattered. I used to manage a softball team from the industrial league, and I think like out of 30 people that played for me, I can get ahold of about five right now. I do not know where the other 25 are.

Mr. SMITH. Perhaps, employed.

Mr. POMPONIO. That is true. Yeah.

Mr. SMITH. We would hope so.

OK, thank you for your answers.

Mr. BONKER. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman. I missed your original testimony, so I just have one question.

I assume your papers run help wanted ads like most newspapers and I assume you have explored some of these.

It seems an inconsistency when newspapers will have a couple of pages of help wanted, and yet, there is a high degree of unemployment. What do you find to be the problem?

What do you experience when you answer those ads?

Do prospective employers have a lot of people coming in?

Mr. POMPONIO. What I think when the jobs really hit the want ads, the majority of those jobs are already taken. They have to show, so that the governor or somebody does not put the finger on them and say, hey, are you hiring your own people. Sure, there are jobs. It is just an advertisement, really.

I would say 85 percent of the wants ads where it says jobs wanted, or help wanted, 85 percent of the jobs are already taken when it hits the newspaper.

Mr. REGULA. So, you are saying that that is a routine they go through for the record?

Mr. POMPONIO. Right.

Mr. REGULA. Thank you.

Mr. BONKER. Mr. Stallings has joined us from Idaho, where they have had considerable plant closures because of the copper and wood imports from other places.

Mr. Stallings.

Mr. STALLINGS. Thank you, Mr. Chairman. Mr. Pomponio, I also missed your original testimony.

Would you please brief me again. How long have you been unemployed, and how long have you been actively looking for employment?

Mr. POMPONIO. I got laid off July 1982. In fact, three years this month. Anyway.

Mr. STALLINGS. What do you do after unemployment benefits run out and retraining programs run out?

You are not the only one in the situation. In my district, we have literally hundreds in the same circumstance, and I wonder where a person turns.

Mr. POMPONIO. Well, I can thank God, that I had a wife like I had, and she did go out. Like I said, you did miss the testimony, but she started out as a waitress. But, if you remember, maybe 2 years ago, Reagan put a tax, it was an 8 percent tax on—not on the tips that she was making, but the actual total of the checks. And, while she was working daytime, the checks are not like the evening checks.

In other words, you get four people on one check. The check may come to $30, and maybe the four might end up throwing a quarter here and there. Maybe she may make a dollar on that table. But, she had to end up paying $2.40, because the 8 percent of $30, is what she had to turn in on her tip.

And, while she was working there, everyday she had to go to the grocery store. If she made $5, she bought $5 worth of groceries. If she would make $8, she bought $8 worth. And, with my unemployment check, I was trying to keep my house bills going.

And then, after the tax came in, it was actually costing her money, so she quit there and went and got a job at the Mon-Valley Unemployment Committee, and she counseled other unemployed people, knowing inside the situation we were, and here she was trying to help the other unemployed people to come back up on their feet.

Mr. REGULA. How did you become aware of the various programs?

Did the employment office in your district make you aware of the various government programs available?

Mr. POMPONIO. Sure. Through the Mon-Valley Unemployment Committee, they kept up on this, and we had our arms out. And, as soon as there was something—we had a newsletter and through advertising and stuff like that is how I kept up with it.

Mr. STALLINGS. Thank you.

Mr. REGULA. Mr. Chairman?

Mr. BONKER. Mr. Regula.

Mr. REGULA. Just to correct the record, you mentioned the tip tax, the 8 percent. That was enacted by the Congress. The Democrat House and the Republican Senate. The President signed the bill, but Congress was really the one that put that bill out there.

Mr. POMPONIO. Well, you know what I am talking about.

Mr. REGULA. I know. I just want to keep the record straight today.

Mr. BONKER. Well, Mr. Pomponio, if it is of any comfort to you, many of us up here are in your age range, and every 2 years, we face possible displacement.

Mr. POMPONIO. Yeah.

Mr. BONKER. Oh, we have another committee member just joining us. Welcome, Mr. Boehlert. Do you have any questions of the witness?

Mr. BOEHLERT. No, Mr. Chairman. Good to be here.

Mr. BONKER. Thank you.

Mr. Pomponio, we find that you have given us an excellent beginning on these hearings. I think it is prudent that we hear from somebody who is going through this experience. During our next panel of witnesses we are going to get statistics, reports and studies

on this issue, but, nothing is more graphic for us than talking to somebody who has gone through it personally.

I think other committee members would join me in wishing you the very best in your job pursuits. We hope that you are able to find gainful employment and get back up there in a productive wage scale, that will help you reclaim your pride, and your productivity as an American worker.

Mr. POMPONIO. Well, I thank you, and I hope this does help. Believe me, we do need the help.

Mr. BONKER. Thank you, Mr. Pomponio.

I will now call to the witness table, the following witnesses. Mr. Martin Ziegler, he will be accompanied by Mr. Paul Mayrand, Dr. Steven Sandell, and Mr. Jack Ossofsky.

Mr. Ziegler, is the Deputy Associate Commissioner for employment and unemployment statistics. He is with the Bureau of Labor Statistics. He will provide us with a summary overview, and the results of a study which determined that over 5 million workers, of all ages, have lost their jobs because of what is happening in our domestic economy.

Paul Mayrand will be available for DOE policy related questions. Dr. Steven Sandell is director of the project on national employment policies, and the Older Americans National Commission for Employment Policy. Established in 1973, it is an independent agency, charged with advising the executive branch, and the Congress, on the area of employment training policy.

Lastly, Jack Ossofsky is the executive director of the National Council on Aging. He will discuss the implications and unique problems experienced by displaced older workers.

Gentlemen, we are delighted that you are with us today, and we look forward to your testimony. Most of you have testified before. You know how much we appreciate taking your written statement for the record, and hearing your summarized remarks, but sometimes that is hard to do.

In any case, it would be convenient for us if you could keep your opening statement fairly limited so we can allow time for questions among members.

Mr. Ziegler, welcome. You may begin.

STATEMENT OF MARTIN ZIEGLER, DEPUTY ASSOCIATE COMMISSIONER FOR EMPLOYMENT AND UNEMPLOYMENT STATISTICS, BUREAU OF LABOR STATISTICS

Mr. ZIEGLER. Thank you, Mr. Chairman, members of the committee.

Mr. BONKER. Would you move the mike down just slightly. Thank you, sir.

Mr. ZIEGLER. My written statement has been submitted, and, therefore, in deference to this committee and the colleagues at the table, I will limit my remarks to about 5 minutes.

Mr. BONKER. Without objection, we will accept all the written statements for publication in the record.

Mr. ZIEGLER. Thank you.

I am please to have the opportunity to discuss with you today, the results of a Bureau of Labor Statistics study on displaced workers, highlighting our findings on those age 55 and over.

To help in answering the questions submitted in your letter, Mr. Chairman, I will also make use of some data from the regular monthly labor force survey.

Each month, the Bureau of Labor Statistics reports on labor market conditions of older workers, along with workers of all ages. Our primary data source is the Current Population Survey, a monthly survey of about 60,000 households nationwide.

In January 1984, supplementary questions were asked of survey respondents regarding displacement from jobs held during the prior 5 years. Workers classified as displaced, were those ages 20 and over, who had lost a job that they had held for a minimum of 3 years.

This job loss could have been because of a plant or company closed or moved, slack work, or their position or shift was abolished. The study found 5.1 million such workers of whom, 750,000 were ages 55 to 64, and 190,000, age 65 and over, and older.

I might add, Mr. Chairman, this was the first definitive study of displaced workers that we know of that has been conducted in the United States.

Older workers are thought to have some protection from job loss by virtue of their seniority, and, in some settings, this is true.

Nevertheless, the survey shows that workers age 55 and older, made up a sizable proportion of those displaced from their jobs. Among those who had been displaced, the older the worker, the less likely that he or she was employed in January 1984.

Two-thirds of the 20- to 54-year olds were employed as of the survey date. But, only 40 percent of the 55- to 64-year-olds, and 20 percent of those 65 years and over. A portion of the difference between older and younger persons could be attributable to retirement, some of which would have occurred in the older group, with or without displacement

However, many left the labor force because of job market factors. Among the oldest age group, those 65 and over, two-thirds of the displaced workers have withdrawn from the labor force, and 12 percent were unemployed.

Among 55- to 65-year-olds, 27 percent had left the labor force, and more than 30 percent were unemployed. The highest proportion of any age group. Many in this age group are apparently in a double bind. They are not old enough to have adequate retirement benefits, and they experience relatively little success in their job search.

Some insight into the success of job search of unemployed older workers comes from the regular monthly survey data. Keep in mind, that we are talking here of the job search of all unemployed workers, a broader group than those who were displaced.

Older job seekers generally have a lower probability of finding a job, and a much higher probability of leaving the labor force, than middle age and younger workers.

Most measures of durations of unemployment reflect a large proportion of older job seekers, who stopped looking without having

found a job, and thus, understate the difficulties of those who maintain their job search.

In summary, our research indicates that older persons make up a substantial portion of worker displacement. Once this occurs, many older persons tend to retire or leave the labor force after a period of job search. But, those who are not able to do so, or do not wish to retire, face relatively poor prospects.

The chance of finding a job declines as people age, and even if a job is found, it is often part time. Even when a full-time job is found, the pay may be less, and where it is not, considerable income may have been lost in the interim.

I will be pleased to answer any questions the committee may have.

[The prepared statement by Mr. Ziegler follows:]

PREPARED STATEMENT OF MARTIN ZIEGLER, DEPUTY ASSOCIATE COMMISSIONER FOR EMPLOYMENT AND UNEMPLOYMENT STATISTICS, BUREAU OF LABOR STATISTICS

Mr. Chairman and Members of the Committee: I am pleased to have the opportunity to discuss with you today the results of a special Bureau of Labor Statistics' (BLS) survey on displaced workers, highlighting our findings on those 55 years and over. I also will make use of some data from the regular monthly labor force survey in my reply to the questions on old displaced workers submitted to the BLS by Congressman Roybal.

The survey on displaced workers was sponsored by the Department of Labor's Employment and Training Administration and conducted as a supplement to the January 1984 Current Population Survey (CPS). It was undertaken because of concern that many workers who lost long-held jobs might not have been able to regain employment even during a period of economic recovery and growth. This concern focused especially on workers from industries such as steel, autos, and machinery that were not expected to return to previous employment levels even after the economy had completed its recovery from the recent recession.

In the study, workers classified as displaced were those persons ages 20 and over who had held jobs for a minimum of 3 years and who had lost these jobs between January, 1979 and January, 1984 because of any of the following factors: (1) their plant or company closed down or moved; (2) slack work; or (3) their position or shift was abolished. The study found 5.1 million such workers. About 750,000 of them were ages 55 to 64, and another 190,000 were 65 years and older.

Our definition of displaced workers may not be the same as that used by others. Differences exist in such factors as tenure, industry affiliation, geography, and work status following job loss. For example, although we estimated that 5.1 million workers had been displaced, most were working again when surveyed. Some definitions of displacement would exclude them. In addition, the survey results are not as current as we would like. The survey was undertaken in January, 1984 and the data are now obviously a year and a half old. The strong growth of the economy during 1984–85 may have improved the employment situation of displaced workers.

EMPLOYMENT STATUS IN JANUARY 1984

About 60 percent of the entire universe of 5.1 million displaced workers had become reemployed by January, 1984. About 25 percent were unemployed when surveyed and the balance had left the labor force—that is, they were neither working, nor looking for work. The situation for the older displaced workers was very different. Among the 750,000 in ages 55 to 64 years, only two-fifths were working again at the time of the survey. Almost one-third were unemployed—the highest proportion of any age group studied. Over one-fourth were no longer in the labor force. Among the 190,000 displaced workers 65 years and over, only one-fifth were working again in January, 1984, just over a tenth were unemployed and two-thirds were out of the labor force. (See table 1.) Of course, many older workers might have chosen to retire during the reference period whether or not they had lost a job. However, some might have left the labor force because they were unable to find alternative employment.

While women accounted for 35 percent of the 5.1 million displaced workers, they made up a somewhat higher proportion (41 percent) of the displaced workers 55 years and over.

THE DISPLACEMENTS AND THEIR AFTERMATH

The older displaced workers typically had been at their lost jobs for many years. While the median tenure for all the 5.1 million displaced workers was about 6 years, the median tenure for those 55 years and older was about 12 years. (See table 2.)

Older workers were more likely than their younger counterparts to have lost their jobs as a result of plant closings. Almost 60 percent of workers 55 to 64 years and 70 percent of those 65 years and over attributed their job losses to plant closings, a factor that accounted for less than one-half of the displacement among workers under 55. The latter often cited "slack work" or (to a lesser extent) the abolition of their jobs as the reason for their displacement. Because of their seniority status, older workers often are protected from layoff due to slack work compared with lower-tenured younger workers. This may account for the lower proportion of "slack work" and higher proportion of "plant closings" cited by older workers. (See table 3).

About one-half of the entire group of displaced workers, as well as of the older workers, lost jobs in manufacturing, particularly from key durable goods industries such as primary and fabricated metals, transportation equipment and machinery, as well as from several nondurable goods industries. Large numbers also lost jobs from other sectors, such as retail trade, construction and services. (See tables 4 and 4a.)

For both the displaced workers as a whole and for the older workers, the largest number had lost jobs as operators, fabricators, and laborers. Displacement, however, occurred across all the occupational groups. For example, among the displaced workers 55 years and older, over 80,000 had lost managerial jobs, over 100,000 had been in sales, and almost 100,000 had held clerical and other administrative support positions. Generally, displaced workers who had held higher skilled jobs were more likely to be working again in January, 1984. (See tables 5 and 5a.)

Only a small minority of the total displaced workers moved to a different city or county to look for work or to take a different job, but of those who did move, a higher proportion were working again in January, 1984. Movers tend to be young workers, and far fewer workers 55 years and over relocated, but a substantially higher proportion of those who did move were reemployed. (See table 6.)

About two-thirds of the 940,000 displaced workers 55 years and over had received unemployment benefits. About half had exhausted them by January, 1984. This was very similar to the pattern that prevailed among younger displaced workers. (See table 7.)

For both the entire group of displaced workers who had become reemployed and for those 55 years and over, many were doing as well or better than they were in the jobs from which they were displaced. (See tables 8 and 8a.) For both groups, those who had lost full-time wage and salary jobs and were reemployed in full-time jobs at the time of the survey, about 55 percent were earning at least as much in their new jobs as in their old ones. On the other hand, close to one-third had taken pay cuts of at least 20 percent. Older displaced workers were much more likely than younger ones to have moved from full-time to part-time jobs, where earnings losses clearly did occur. (Some other studies on displacement have shown that older workers were more likely than younger ones to experience earnings losses between their old and new jobs because the skills and experience gained in their old jobs, which were reflected in their earnings, often were not transferable to the new ones.)

There were a number of questions about the labor force behavior of older workers who became displaced that could not be easily answered in the displaced worker survey. To address the issues of job search and duration of unemployment, I will draw upon data from the monthly Current Population Survey. While these data refer to all those who are unemployed, rather than the more restrictive definition for displaced workers, they may shed some additional light on the questions of success and duration of job search for older workers.

Research done at the BLS using these data show that unemployed men age 55 and over are considerably more likely than younger men to end a period of unemployment by leaving the labor force rather than by finding a job. (See table 9.) The likelihood of retirement is, of course, far greater among those 65 and older than for those ages 55 to 64.

Calculations to estimate the expected duration of a completed spell of unemployment show little difference among men 55 to 64 years of age and younger men. However, if the comparison is limited to those who move from unemployment to

employment, that is, successful or "persistent" jobseekers, the situation is different. In this case, in 1984, it took men age 55 to 64 eighteen weeks to find a job as compared to fifteen weeks for men age 35 to 54. (See table 10.)

Generally, duration of unemployment is lower for all men age 65 and over because many of them retire if no satisfactory job becomes available. Those who continue to look for work until they find a job will be unemployed far longer than those who give up the job search.

Data on displaced older workers, as for all jobless older persons, are often difficult to interpret. The act of leaving the labor force, or retiring, is most often a voluntary decision based on an individual's economic situation and desire for more time for leisure pursuits, or it is a response to problems of health. For persons who are displaced from long-term jobs, withdrawal from the job market also may be less a matter of choice than a necessary response to a poor job outlook or failed job search.

We do know that older persons make up a sizeable share of displaced workers and that, as a group, they do relatively poorly in terms of the probability of future employment.

TABLE 1.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY AGE, SEX, RACE, AND HISPANIC ORIGIN, JANUARY 1984

Age, sex, race, and Hispanic origin	Total [1] (thousands)	Total	Employed	Unemployed	Not in the labor force
TOTAL					
Total, 20 years and over	5,091	100.0	60.1	25.5	14.4
20 to 24 years	342	100.0	70.4	20.2	9.4
25 to 54 years	3,809	100.0	64.9	25.4	9.6
55 to 64 years	748	100.0	40.8	31.8	27.4
65 years and over	191	100.0	20.8	12.1	67.1
MEN					
Total, 20 years and over	3,328	100.0	63.6	27.1	9.2
20 to 24 years	204	100.0	72.2	21.7	6.1
25 to 54 years	2,570	100.0	68.2	26.8	5.0
55 to 64 years	461	100.0	43.6	34.1	22.3
65 years and over	92	100.0	16.8	12.9	70.3
WOMEN					
Total, 20 years and over	1,763	100.0	53.4	22.5	24.2
20 to 24 years	138	100.0	67.8	18.0	14.2
25 to 54 years	1,239	100.0	58.0	22.6	19.4
55 to 64 years	287	100.0	36.3	28.0	35.7
65 years and over	99	100.0	24.6	11.3	64.1
WHITE					
Total, 20 years and over	4,397	100.0	62.6	23.4	13.9
Men	2,913	100.0	66.1	25.1	8.8
Women	1,484	100.0	55.8	20.2	24.1
BLACK					
Total, 20 years and over	602	100.0	41.8	41.0	17.1
Men	354	100.0	43.9	44.7	11.4
Women	244	100.0	38.8	35.6	25.6
HISPANIC ORIGIN					
Total, 20 years and over	282	100.0	52.2	33.7	14.1
Men	189	100.0	55.2	35.5	9.3
Women	93	100.0	46.3	30.0	23.6

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Note.—Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

TABLE 2.—WORKERS WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY AGE, SEX, RACE, HISPANIC ORIGIN, AND TENURE WHEN JOB ENDED

[In percent]

Age, sex, race, and Hispanic origin	Total [1] (thousands)	Total	3 to 4 years	5 to 9 years	10 to 14 years	15 to 19 years	20 or more years	Median years on lost jobs
TOTAL								
Total, 20 years and over	5,091	100.0	36.2	33.6	14.7	6.7	8.8	6.1
25 years and over	4,749	100.0	33.5	34.5	15.5	7.1	9.4	6.5
25 to 54 years	3,809	100.0	37.9	36.9	14.5	5.9	4.7	5.8
55 to 64 years	748	100.0	15.5	23.2	21.2	12.2	27.9	12.4
65 years and over	191	100.0	14.6	31.1	12.3	11.9	30.0	11.9
MEN								
Total, 20 years and over	3,328	100.0	34.6	31.6	15.8	7.4	10.6	6.6
25 years and over	3,123	100.0	31.8	32.6	16.5	7.8	11.3	7.0
25 to 54 years	2,570	100.0	35.8	35.2	16.2	6.7	6.1	6.2
55 to 64 years	461	100.0	12.9	19.5	19.0	13.0	35.5	14.4
65 years and over	92	100.0	14.3	25.0	12.1	12.8	35.8	14.3
WOMEN								
Total, 20 years and over	1,763	100.0	39.4	37.4	12.6	5.3	5.3	5.7
25 years and over	1,625	100.0	36.7	38.2	13.6	5.8	5.7	5.9
25 to 54 years	1,239	100.0	42.4	40.4	11.1	4.2	1.9	5.5
55 to 64 years	287	100.0	19.7	29.1	24.7	11.0	15.5	10.2
65 years and over	99	100.0	14.9	36.9	12.5	11.0	24.7	9.8
WHITE								
Total, 20 years and over	4,397	100.0	36.3	33.5	14.8	6.5	8.9	6.1
Men	2,913	100.0	34.7	31.8	15.8	7.2	10.6	6.5
Women	1,484	100.0	39.3	36.9	12.9	5.2	5.7	5.7
BLACK								
Total, 20 years and over	602	100.0	36.6	34.4	14.0	7.2	7.8	6.1
Men	358	100.0	33.8	30.2	16.8	8.2	10.9	7.0
Women	244	100.0	40.7	40.4	9.8	5.8	3.3	5.5
HISPANIC ORIGIN								
Total, 20 years and over	282	100.0	37.9	32.4	13.9	6.2	9.7	5.9
Men	189	100.0	32.6	30.5	18.7	7.0	11.2	7.0
Women	93	100.0	48.5	36.4	4.0	4.3	6.7	5.1

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Note.—Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

TABLE 3.—WORKERS WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY AGE, SEX, RACE, HISPANIC ORIGIN, AND REASON FOR JOB LOSS

[In percent]

Age, sex, race, and Hispanic origin	Total [1] (thousands)	Total	Plant or company closed down or moved	Slack work	Position or shift abolished
TOTAL					
Total, 20 years and over	5,091	100.0	49.0	38.7	12.4
20 to 24 years	342	100.0	47.1	47.1	5.8
25 to 54 years	3,089	100.0	46.3	41.0	12.7
55 to 64 years	748	100.0	57.8	28.2	14.0
65 years and over	191	100.0	70.8	18.1	11.1
MEN					
Total, 20 years and over	3,328	100.0	46.0	42.9	11.1
20 to 24 years	204	100.0	39.5	59.6	.9
25 to 54 years	2,570	100.0	43.9	44.8	11.3
55 to 64 years	461	100.0	55.6	30.5	14.0
65 years and over	92	100.0	68.7	15.7	15.5
WOMEN					
Total, 20 years and over	1,763	100.0	54.6	50.8	14.6
20 to 24 years	138	100.0	58.3	28.7	12.9
25 to 54 years	1,239	100.0	51.1	33.3	15.6
55 to 64 years	287	100.0	61.4	24.5	14.1
65 years and over	99	100.0	72.8	20.3	6.9
WHITE					
Total, 20 years and over	4,397	100.0	49.6	37.9	12.5
Men	2,913	100.0	46.0	42.6	11.4
Women	1,484	100.0	56.7	28.7	14.6
BLACK					
Total, 20 years and over	602	100.0	43.8	44.7	11.6
Men	358	100.0	44.9	46.4	8.8
Women	244	100.0	42.2	42.2	15.7
HISPANIC ORIGIN					
Total, 20 years and over	282	100.0	47.4	45.2	7.3
Men	189	100.0	48.1	43.8	8.1
Women	93	100.0	46.2	48.1	5.7

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Note.—Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

TABLE 4.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY INDUSTRY AND CLASS OF WORKER OF LOST JOB, JANUARY 1984

[In percent]

Industry and class of worker of lost job	Total [1] (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over [2]	5,091	100.0	60.1	25.5	14.4
Nonagricultural private wage and salary workers	4,700	100.0	59.8	25.8	14.4
Mining	150	100.0	60.4	31.0	8.6
Construction	401	100.0	55.0	30.7	14.3
Manufacturing	2,483	100.0	58.5	27.4	14.1
Durable goods	1,675	100.0	58.2	28.9	12.9
Lumber and wood products	81	100.0	67.9	19.1	13.0
Furniture and fixtures	65	100.0	[3]	[3]	[3]
Stone, clay, and glass products	75	100.0	47.5	30.5	22.0
Primary metal industries	219	100.0	45.7	38.7	15.6
Fabricated metal products	173	100.0	62.0	32.2	5.8
Machinery, except electrical	396	100.0	62.3	27.4	10.3
Electrical machinery	195	100.0	48.2	34.5	17.3
Transportation equipment	354	100.0	62.6	26.0	11.4
Automobiles	224	100.0	62.9	24.0	13.1
Other transportation equipment	130	100.0	62.1	29.4	8.5
Professional and photographic equipment	54	100.0	[3]	[3]	[3]
Other durable goods industries	62	100.0	[3]	[3]	[3]
Nondurable goods	808	100.0	59.1	24.2	16.7
Food and kindred products	175	100.0	52.5	32.6	15.0
Textile mill products	80	100.0	59.8	26.2	13.9
Apparel and other finished textile products	132	100.0	63.0	14.2	22.8
Paper and allied products	60	100.0	[3]	[3]	[3]
Printing and publishing	103	100.0	58.0	22.9	19.1
Chemical and allied products	110	100.0	64.0	27.3	8.7
Rubber and miscellaneous plastics products	100	100.0	62.8	18.3	18.8
Other nondurable goods industries	49	100.0	[3]	[3]	[3]
Transportation and public utilities	336	100.0	57.9	26.8	15.3
Transportation	280	100.0	58.8	30.5	10.7
Communication and other public utilities	56	100.0	[3]	[3]	[3]
Wholesale and retail trade	732	100.0	61.4	21.6	16.9
Wholesale trade	234	100.0	69.6	22.0	8.4
Retail trade	498	100.0	57.6	21.5	20.9
Finance, insurance, and real estate	93	100.0	78.5	12.4	9.1
Services	506	100.0	65.0	20.5	14.5
Professional services	187	100.0	64.0	19.8	16.1
Other service industries	318	100.0	65.6	20.9	13.5
Agricultural wage and salary workers	100	100.0	69.9	22.9	7.2
Government workers	248	100.0	63.3	18.7	18.0
Self-employed and unpaid family workers	25	100.0	[3]	[3]	[3]

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Total includes a small number who did not report industry or class of worker.

[3] Data not shown where base is less than 75,000.

TABLE 4a.—WORKERS 55 YEARS AND OVER WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY INDUSTRY OF LOST JOB AND EMPLOYMENT STATUS IN JANUARY 1984

[Displaced [1] from job with tenure of 3 years or more; numbers in thousands]

Industry of lost job	Total who lost jobs				Plant or company closed down or moved				All other reasons			
		Employment status in January 1984				Employment status in January 1984				Employment status in January 1984		
	Total	Employed	Unemployed	Not in the labor force	Total	Employed	Unemployed	Not in the labor force	Total	Employed	Unemployed	Not in the labor force
Total, 55 years and over	939	345	261	334	568	218	122	229	571	127	139	105
Nonagricultural private wage and salary worker	878	324	245	309	547	208	116	223	332	116	129	86
Mining	17	6	3	8	10	2	2	7	7	5	0	2
Construction	76	25	32	19	41	19	12	11	34	6	20	8
Manufacturing	469	162	141	166	291	105	65	121	178	57	76	45
Durable goods	296	104	98	94	167	60	43	63	129	44	55	31
Lumber and wood products	24	11	6	7	13	6	2	4	11	4	4	3
Furniture and fixtures	16	3	3	9	9	3	2	4	7	...	2	5
Stone, clay, and glass products	18	4	3	10	14	3	1	9	4	1	2	1
Primary motel industries	36	9	12	16	23	7	6	10	13	2	6	5
Fabricated metal products	31	7	20	5	18	3	10	5	13	4	9	...
Machinery except electrical	58	26	21	10	26	14	6	6	32	12	16	6
Electrical machinery, equipment, and supplies	31	10	6	14	21	7	4	10	9	3	2	2
Transportation equipment	61	17	27	17	32	5	13	14	29	12	14	3
Automobiles	37	9	16	12	26	5	10	11	11	5	5	1
Other transportation equipment	24	8	11	5	6	0	2	3	18	7	9	2
Professional and photographic equipment	9	7	...	2	3	3	...	...	6	4	...	2
Other durable goods industries	13	9	...	5	9	7	...	2	4	1	...	3
Nondurable goods	173	59	43	72	125	45	22	57	49	13	21	14
Food and kindred products	42	10	15	17	35	9	9	17	7	1	6	...
Textile mill products	28	12	8	8	20	7	5	8	8	5	3	...
Apparel and other finished textile products	32	17	...	15	21	14	...	7	11	3	...	7
Paper and allied products	6	...	1	5	5	...	...	5	1	...	1	...
Printing and publishing	18	6	4	7	11	5	2	4	7	1	2	4
Chemical and allied products	20	...	10	10	11	...	4	6	9	...	6	3
Rubber and miscellaneous plastics products	20	9	2	9	16	5	2	9	3	3	...	...
Other nondurable goods industries	9	4	3	1	6	4	...	1	3	...	3	...

TABLE 4a.—WORKERS 55 YEARS AND OVER WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY INDUSTRY OF LOST JOB AND EMPLOYMENT STATUS IN JANUARY 1984—Continued

[Displaced [1] from job with tenure of 3 years or more; numbers in thousands]

Industry of lost job	Total who lost jobs				Plant or company closed down or moved				All other reasons			
	Total	Employment status in January 1984			Total	Employment status in January 1984			Total	Employment status in January 1984		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
Transportation and public utilities	56	23	10	23	30	10	5	16	26	14	6	7
Transportation	43	16	10	17	23	6	5	12	20	20	6	5
Communication and other public utilities	14	7	.....	6	7	3	.....	4	6	4	.....	2
Wholesale and retail trade	154	57	35	61	110	39	20	51	44	18	16	10
Wholesale trade	35	13	8	14	22	7	4	10	13	6	3	4
Retail trade	119	45	28	47	89	32	15	41	31	13	12	8
Finance, insurance and real estate	15	4	3	7	7	.....	2	5	8	4	2	3
Services	91	46	20	25	57	34	10	13	34	12	10	12
Professional services	27	9	4	14	12	5	.....	8	15	4	4	6
Other service industries	64	37	16	11	44	29	10	5	20	8	6	6
Agricultural wage and salary workers	10	3	4	3	2	.....	0	2	7	3	3	1
Government workers	46	14	10	22	15	8	3	4	31	6	6	15
Self-employed and unpaid family workers	4	4	.....	.....	2	2	.....	.....	2	2	.....	.....

[1] "Displaced" refers to persons whose jobs were lost because of: (1) plant closings or moves; (2) slack work; or (3) position for shift abolished.

TABLE 5.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY OCCUPATION OF LOST JOB, JANUARY 1984

[In percent]

Occupation of lost job	Total [1] (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over [2]	5,091	100.0	60.1	25.5	14.4
Managerial and professional specialty	703	100.0	74.7	16.6	8.8
Executive, administrative, and managerial	444	100.0	75.7	15.6	8.7
Professional specialty	260	100.0	72.9	18.2	8.9
Technical, sales, and administrative support	1,162	100.0	60.6	21.1	18.3
Technicians and related support	122	100.0	67.9	25.3	6.8
Sales occupations	468	100.0	66.7	14.6	18.7
Administrative support, including clerical	572	100.0	54.1	25.5	20.5
Service occupations	275	100.0	51.0	24.1	24.9
Protective service	32	100.0	[3]	[3]	[3]
Service, except private household and protective	243	100.0	53.0	23.6	23.4
Precision production, craft and repair	1,042	100.0	61.6	26.1	12.3
Mechanics and repairers	261	100.0	61.3	29.3	9.4
Construction trades	315	100.0	63.2	23.8	13.0
Other precision production, craft, and repair	467	100.0	60.8	25.8	13.4
Operators, fabricators, and laborers	1,823	100.0	54.6	31.6	13.7
Machine operators, assemblers, and inspectors	1,144	100.0	56.0	27.5	16.5
Transportation and material moving occupations	324	100.0	63.8	28.7	7.5
Handlers, equipment cleaners, helpers, and laborers	355	100.0	41.8	47.6	10.6
Construction laborers	55	100.0	[3]	[3]	[3]
Other handlers, equipment cleaners, helpers, and laborers	300	100.0	42.0	47.0	11.0
Farming, forestry, and fishing	68	100.0	[3]	[3]	[3]

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.
[2] Total includes a small number who did not report occupation.
[3] Data not shown where base is less than 75,000.

TABLE 5a.—WORKERS 55 YEARS AND OVER WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 [1] BY OCCUPATION OF LOST EMPLOYMENT STATUS IN JANUARY 1984

[Displaced from job with tenure of 3 years of more; numbers in thousands]

Occupation of lost job	Total who lost jobs				Plant or company closed down or moved				All other reasons			
	Total	Employment status in January 1984			Total	Employment status in January 1984			Total	Employment status in January 1984		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
Total, 55 years and over	939	345	261	334	568	218	122	229	371	127	139	105
Managerial and professional specialty	127	69	25	32	71	43	7	21	56	26	18	11
Executive, administrative, and managerial	83	46	16	21	48	29	4	15	35	18	12	5
Professional specialty	43	22	9	11	23	14	3	6	20	9	6	6
Technical, sales, and administrative support	217	78	48	90	118	37	24	57	98	41	24	33
Technicians and related support	16	7	4	4	5	2	2	0	11	5	2	4
Sales occupations	104	42	17	45	69	25	10	34	35	17	7	11
Administrative support, including clerical	97	29	27	41	45	10	12	23	52	19	15	18
Service occupations	84	25	27	30	53	21	11	21	31	5	14	5
Protective service	11	.....	3	8	6	.....	1	4	5	.....	2	3
Service, except private household and protective	73	26	24	23	47	21	10	17	25	5	14	2
Precision production, craft and repair	180	74	51	55	122	53	29	40	57	23	22	9
Mechanics and repairers	42	23	11	8	33	19	9	5	8	4	2	2
Construction trades	50	17	22	11	27	14	8	5	23	3	14	1
Other precision production, craft, and repair	88	33	19	36	62	19	12	31	26	14	7	6
Operators, fabricators, and laborers	325	96	107	121	198	64	48	86	126	32	59	27
Machine operators, assemblers, and inspectors	208	69	56	83	125	47	21	57	83	22	35	25
Transportation and material saving occupations	43	13	17	13	30	8	11	11	13	6	6	2
Handlers, equipment cleaners, helpers, and laborers	73	14	34	25	43	9	16	17	31	4	18	18

Construction laborers	9	2	2	5	5	2	.....	3	3	.....	2	11
Other handlers, equipment cleaners, helpers, and laborers	65	12	32	21	38	7	16	14	27	4	16	7
Farming, forestry, and fishing	6	2	.....	5	3	.....		3	4	2	.....	2

[1] Data refer to persons who lost or left a job because of a plant or business closing, permanent layoff or other similar reasons.
[2] "Displaced" refers to persons whose jobs were lost because of: (1) plant closings or moves; (2) slack work; or (3) position or shift abolished.

TABLE 6.—DISPLACED WORKERS BY WHETHER THEY MOVED TO A DIFFERENT CITY OR COUNTY TO FIND OR TAKE ANOTHER JOB, BY AGE, SEX, AND CURRENT EMPLOYMENT STATUS, JANUARY 1984

[Numbers in thousands]

Age and sex	Nonmovers				Movers			
	Total	Employment status in January 1984			Total	Employment status in January 1984		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
Total:								
Total, 20 years and over [1]	4,374	2,537	1,157	660	682	500	134	48
25 to 54 years	3,234	2,044	859	332	556	413	108	31
25 to 34 years	1,370	864	365	141	318	221	71	26
35 to 44 years	1,055	706	267	81	158	125	26	6
45 to 54 years	809	473	227	109	80	67	11	2
55 and over	880	312	246	321	53	32	12	9
Men:								
Total, 20 years and over	2,784	1,700	800	284	519	401	95	21
25 to 54 years	2,114	1,399	609	107	440	342	78	19
25 to 34 years	936	861	270	50	262	191	56	16
35 to 44 years	671	459	189	23	117	98	18	2
45 to 54 years	507	324	150	33	61	54	5	2
55 and over	510	191	155	164	38	24	12	2
Women:								
Total, 20 years and over	1,590	837	357	397	163	99	38	27
25 to 54 years	1,120	645	250	225	116	71	30	15
25 to 34 years	434	249	94	91	56	30	15	11
35 to 44 years	364	247	78	58	41	27	9	5
45 to 54 years	303	149	77	76	19	13	6	—
55 and over	369	121	92	157	14	6	—	7

[1] Data refer to persons with tenure of 3 years of more who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

TABLE 7.—WORKERS WHO LOST JOBS IN PAST 5 YEARS [1] BY RECEIPT OF UNEMPLOYMENT INSURANCE WHETHER BENEFITS EXHAUSTED, REASON LOST JOB, AGE AND EMPLOYMENT STATUS, JANUARY 1984

[Displaced [2] from job with tenure of 3 years or more; numbers in thousands]

Age and employment status	Lost a job in last 5 years			Plant or company closed down or moved			All other reasons		
	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits
Both sexes:									
All persons:									
Total, 20 years and over	5,091	3,497	1,670	2,492	1,589	755	2,599	1,908	915
25 and over	4,749	3,327	1,604	2,331	1,519	732	2,418	1,807	872
25 to 34 years	1,692	1,178	544	724	454	213	967	724	331
35 to 44 years	1,218	869	416	542	352	173	675	517	243
45 to 54 years	900	652	330	496	323	152	404	328	178
55 years and over	939	629	314	568	391	195	371	238	120
Employed:									
Total, 20 years and over	3,058	1,973	802	1,547	904	357	1,512	1,068	445
25 and over	2,818	1,855	760	1,415	845	341	1,403	1,010	418
25 to 34 years	1,089	721	286	483	276	111	606	445	175
35 to 44 years	837	558	241	402	252	109	434	306	132
45 to 54 years	547	371	156	311	185	68	236	186	88
55 years and over	345	205	76	218	132	53	127	73	24
Unemployed:									
Total, 20 years and over	1,299	1,043	541	509	390	203	791	653	338
25 and over	1,230	1,006	528	487	384	199	743	622	329
25 to 34 years	435	337	172	163	124	61	272	212	112
35 to 44 years	293	245	128	98	67	43	195	178	85
45 to 54 years	241	206	117	105	88	46	136	118	71
55 years and over	261	218	110	122	104	49	139	114	61
Not in the labor force:									
Total, 20 years and over	733	481	327	437	294	195	296	187	132

TABLE 7.—WORKERS WHO LOST JOBS IN PAST 5 YEARS [1] BY RECEIPT OF UNEMPLOYMENT INSURANCE WHETHER BENEFITS EXHAUSTED, REASON LOST JOB, AGE AND EMPLOYMENT STATUS, JANUARY 1984—Continued

[Displaced [2] from job with tenure of 3 years or more; numbers in thousands]

Age and employment status	Lost a job in last 5 years			Plant or company closed down or moved			All other reasons		
	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits	Total	Received unemployment benefits	Exhausted benefits
25 and over	701	466	316	428	290	192	273	176	124
25 to 34 years	167	120	85	78	53	41	90	67	45
35 to 44 years	88	66	47	42	33	21	46	33	25
45 to 54 years	112	74	56	80	50	37	32	24	19
55 years and over	334	206	128	229	154	94	105	52	35

[1] Data refer to persons who lost or left a job because of a plant or business closing, permanent layoff or other similar reasons.
[2] "Displaced" refers to persons whose jobs were lost because of: (1) plant closings or moves; (2) slack work; or (3) position or shift abolished.

TABLE 8.—CHARACTERISTICS OF NEW JOB OF DISPLACED WORKERS WHO LOST FULL-TIME WAGE AND SALARY JOBS AND WERE REEMPLOYED IN JANUARY 1984 BY INDUSTRY OF LOST JOB

[In thousands]

Industry of lost job	Total reemployed January 1984	Part-time job	Full-time wage and salary job					Self-employment or other full-time job
			Total [1]	Earnings relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent	20 percent or more above	
Total who lost full-time wage and salary jobs [2]	2,841	357	2,266	621	320	571	533	218
Construction	253	26	199	48	30	47	61	28
Manufacturing	1,418	151	1,200	366	171	286	247	67
Durable goods	954	106	797	281	102	181	155	51
Primary metal industries	98	14	77	40	5	22	5	7
Steel [3]	78	14	59	33	3	14	5	4
Other primary metals	20	.....	18	7	2	9	.....	2
Fabricated metal products	102	12	81	30	6	21	16	9
Machinery, except electrical	244	17	215	77	34	39	40	12
Electrical machinery	94	10	84	26	12	14	22	.....
Transportation equipment	219	30	174	66	22	42	34	14
Automobiles	141	19	115	43	16	21	26	7
Other transportation equipment	77	11	59	23	6	21	8	7
Nondurable goods	464	45	403	85	69	105	92	16
Transportation and public utilities	191	15	154	40	22	44	27	22
Wholesale and retail trade	399	72	296	61	41	79	85	31
Finance and service industries	378	58	270	59	35	83	74	50
Public administration	48	4	42	11	5	7	18	2
Other industries [4]	153	31	104	36	16	24	22	18

[1] Includes persons who did not report earnings on lost job.
[2] Data refer to persons with tenure of three or more years who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings, or moves, slack work, or their positions or shifts were abolished.
[3] Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel foundries.
[4] Includes a small number who did not report industry.

TABLE 8a.—CHARACTERISTICS OF NEW JOB OF DISPLACED WORKERS AGES 55 YEARS AND OVER WHO LOST FULL-TIME WAGE AND SALARY JOBS AND WERE REEMPLOYED IN JANUARY 1984 BY INDUSTRY OF LOST JOB

[In thousands]

Industry of lost job	Total reemployed January 1984	Part-time job	Full-time wage and salary job					Self-employment or other full-time job
			Total [1]	Earnings relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent	20 percent or more above	
Total 55 years and over who lost full-time wage and salary jobs [2]	312	69	222	57	26	66	39	21
Construction	27	5	22	8	1	6	6	0
Manufacturing	154	27	117	25	19	34	14	10
Durable goods	97	18	69	19	6	23	11	10
Primary metal industries	7	–	7	2	–	4	2	–
Steel [3]	7	–	7	2	–	4	2	–
Fabricated metal products	7	2	5	–	–	3	–	–
Machinery, except electrical	25	4	17	4	–	7	4	4
Electrical machinery	10	3	7	3	–	–	2	–
Transportation equipment	17	2	12	6	2	3	–	4
Automobiles	9	2	8	6	–	1	–	–
Other transportation equipment	8	–	4	–	2	2	–	4
Nondurable goods	57	9	48	6	13	11	3	–
Transportation and public utilities	23	2	18	6	–	6	3	3
Wholesale and retail trade	48	17	29	8	3	10	5	2
Finance and service industries	45	15	25	8	3	6	8	6
Public administration	5	2	2	0	–	2	–	–
Other industries [4]	10	2	8	2	–	2	2	–

[1] Includes persons who did not report earnings on lost job.
[2] Data refer to persons with tenure of three or more years who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings or moves, slack work, or their positions or shifts were abolished.
[3] Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel furnaces.
[4] Includes a small number who did not report industry.

TABLE 9.—DISTRIBUTION OF LABOR FORCE STATUS IN CURRENT MONTH OF MEN 35 YEARS AND OVER WHO WERE UNEMPLOYED IN PRIOR MONTH, ANNUAL AVERAGES, SELECTED YEARS, 1979–84

[In percent]

Age	Status in current month											
	1979			1982			1983			1984		
	Employed	Unemployed	Not in labor force	Employed	Unemployed	Not in labor force	Employed	Unemployed	Not in labor force	Employed	Unemployed	Not in labor force
35 to 44 years	33.5	57.5	8.9	23.2	69.0	7.7	22.2	71.1	6.6	25.4	64.9	9.7
45 to 54 years	28.9	58.3	12.8	23.8	67.9	8.5	20.0	71.6	8.4	25.3	64.2	10.5
55 to 64 years	23.9	58.2	17.9	19.0	67.8	13.2	16.2	70.8	13.0	20.2	65.1	14.7
65 years and over	16.7	50.0	33.3	17.1	42.9	40.0	13.3	49.3	37.3	17.5	47.4	35.1

TABLE 10.—EXPECTED DURATION OF COMPLETED SPELLS OF UNEMPLOYMENT FOR ALL JOBSEEKERS AND "PERSISTENT" JOBSEEKERS (THOSE WHO FIND EMPLOYMENT) FOR MEN 35 YEARS AND OVER, ANNUAL AVERAGES, SELECTED YEARS, 1979–84

Age	Expected duration of unemployment (in weeks)							
	All jobseekers				"Persistent" jobseekers			
	1979	1982	1983	1984	1979	1982	1983	1984
35 to 44 years	10.1	13.9	14.9	12.3	11.7	17.1	18.1	15.3
45 to 54 years	10.3	13.4	15.1	12.0	13.0	16.6	19.7	15.2
55 to 64 years	10.3	13.4	14.7	12.3	14.8	19.7	23.1	18.2
65 years and over	8.6	7.5	8.5	8.2	17.2	15.1	20.2	15.9

Note: The expected duration for all jobseekers is: $E(D) = 1/pESC \times 4.3$, where pESC is the probability of escaping unemployment and 4.3 is the number of weeks in a month. The probability of escaping unemployment is: $pESC = UE + UN/U(t-1)$. Where UE and UN are the numbers of unemployed persons in month (t–1) becoming employed or not in labor force in month t. The expected duration for a persistent job seeker is: $E(D) = pUE + pUU/pUE \times 4.3$. The above calculations follow procedures used by Philip L. Rones in "Labor Force Problems of Older Workers," Monthly Labor Review, May 1983, pp. 3–12.

Mr. BONKER. All right, thank you, Mr. Ziegler, and I notified the committee members that Mr. Mayrand, who represents the Department of Labor's Special Target Program for Training, is available for questions.

Dr. Sandell, would you proceed, please.

STATEMENT OF DR. STEVEN SANDELL, PROJECT DIRECTOR, NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS, NATIONAL COMMISSION FOR EMPLOYMENT POLICY

Mr. SANDELL. Mr. Chairman and members of the committee. I am Dr. Steven Sandell, an economist, on the staff of the National Commission for Employment Policy and director of the Commission's Project on National Employment Policy and Older Americans.

Thank you for the opportunity to testify today about the labor market problems of displaced older workers and policies which might address their problems.

The National Commission for Employment Policy, authorized under the Job Training Partnersip Act, is an independent Federal Government agency, charged with advising the President and the Congress, in the area of employment and training policy.

Since its establishment in 1973, the Commission has conducted and supported research to examine the experiences of various groups in the labor force. The committee should be pleased that the Commission is now turning its attention to changes in the workplace brought about by technological change and increased international competition.

The Commission has recently completed a 2-year examination of the employment situation of older Americans, and employment policies that affect them. With the support of the Department of Labor's Employment and Training Administration, we sponsored 15 research studies carefully designed to fill some of the gaps in the knowledge base.

I have attached to my written testimony, a description of these studies as well as a summary of research the Commission sponsored on displaced workers in general.

Let me first establish a context for discussing the problems and important policy issues concerning displaced older workers. To un-

derstand the problems, as well as the policy solutions in the older worker area, it is useful to keep in mind some prototypical older workers.

First, there are average Joes and Janes. That is, mainstream individuals whose earnings increase normally over their working years, peaking in their fifties, and leveling off at the end of their working lives, prior to an anticipated period of retirement.

Second, average persons who experience unanticipated midlife events, such as major health or disability problems, or the loss of a long-held job, that disrupt this pattern.

Third, there are disadvantaged individuals. People who have struggled all their lives and have histories of intermittent employment and low earnings, and often, face severe labor market problems as they reach old age.

In considering policies to alleviate problems of older displaced workers, as well as other older workers, four conclusions from the Commission's research, bear emphasis.

First, older workers are significantly less likely than younger workers to lose their jobs, or become displaced. Although workers 45 and over, are about 31 percent of the labor force, they, are only about 20 percent of job losers.

Greater seniority probably affords older workers protection against dislocation or job loss in general, compared to their younger counterparts.

However, when job loss does occur, the results can be devastating, sometimes making the difference between economic hardship and a secure retirement.

Second, the consequences of job loss are more serious for older workers than younger ones in specific ways. Older workers stay unemployed longer. They experience a greater drop in pay when they find a new job. They are more likely to retire than both younger job losers, and older workers who do not lose their jobs.

Third, while age discrimination is an important cause of these problems, other factors contribute significantly. Characteristics such as education and previous work experience are related to the employment consequences of losing one's job. For example, the fact that older men have, on average, lower education and poorer health than younger men, makes the average duration of their job search longer.

Furthermore, the greater drop in pay for older workers who lose their jobs is largely due to their greater loss of seniority and firm specific skills, useful on the old job, for which the new employers are not willing to pay.

For example, workers who were age 60 when they lost their job, averaged more than 11 years of job tenure. These workers experience an average wage loss of 6 percent. Workers who were ages 45 through 49, average 6 years of job tenure when they lost their job, and had an average 3-percent loss in wages. Because most older workers who were forced to change jobs, lost more seniority in the job change, the drop in average hourly earnings on a new job, is greater than the drop for younger workers in similar situations.

The fourth important finding is that drops in pay, duration of unemployment, and the likelihood of premature retirement are greater when there are adverse conditions in the local and national

economy. Regional decline probably is a more important factor than industry or occupational loss, in causing severe problems to dislocated workers in finding work at comparable wages to their previous job.

In other words, if the local economy is relatively strong, and unemployment rates are generally low, dislocated workers are more likely to find new work with other employers at comparable wages. This is especially true if the workers' industry is basically healthy, locally, and it is only the workers' employer that is having difficulty.

These findings point to three conclusions that are important for policymakers to understand.

First, it is undeniable that age discrimination exists in the labor market, and that vigorous enforcement of the Age Discrimination in Employment Act, is essential.

Second, many of the labor market problems of older Americans, job losers or not, are grounded in causes other than age discrimination. So, even if age discrimination is completely eliminated from the labor market, many older workers would continue to experience employment problems.

Third, employment policies and programs must treat these other important causes of labor market problems directly.

In concluding, let me emphasize that while a dynamic economy implies that some firms will close and some unemployment will occur, in the tradeoffs that inevitably must be made in developing national economic policy, Federal policymakers should recognize the often hidden, but substantial long-term costs to the economy, and to older individuals that result from induced retirement, caused by high unemployment.

Therefore, the National Commission for Employment Policy, recommends that the Federal Government establish a new priority for employment in the development of its overall economic policy. The Commission recognizes that older workers who lose their jobs often face special difficulty. It recommends that Job Training Partnership Act programs, and other job training programs, should seek to provide special assistance to older job losers, with an emphasis on systematic assessment of their strength in terms of job experience and long developed skills, so that training can be provided to minimize loss of wages in new employment.

The labor market problems of displaced older workers are serious. As I indicated in my written testimony, there are several policy directions that Government and private sector policymakers can take, that will not only benefit the older worker, but will benefit those businesses that hire them.

I appreciate the opportunity to testify today. I would be happy to elaborate on these policy recommendations or respond to any questions you may have.

[The prepared statement of Dr. Sandell follows:]

PREPARED STATEMENT OF DR. STEVEN H. SANDELL, PROJECT DIRECTOR, NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS NATIONAL COMMISSION FOR EMPLOYMENT POLICY

Mr. Chairman and members of the committee: I am Dr. Steven Sandell, an economist on the staff of the National Commission for Employment Pclicy and director of the commission's Project on National Employment Policy and Older Americans.

The National Commission for Employment Policy, authorized under the Job Training Partnership Act, is an independent Federal Government agency charged with advising the President and the Congress in the area of employment and training policy. Since its establishment in 1973, the commission has conducted and supported research to examine the experiences of various groups in the labor force, including blacks, Hispanics, youth, women, and dislocated workers. While keeping up to date on special problems in the work force, the commission is now turning its attention to changes in the workplace brought about by technological change and increased international competition. The focus is on the employment impact of these changes.

Thank you for the opportunity to testify today about the labor market problems of displaced older workers and policies which might address their problems. The commission has recently completed a 2-year examination of the employment situation of older Americans (defined for this project as 45 years and older) and employment policies that affect them. With support from the employment and training administration of the Department of Labor, we sponsored 15 research studies carefully designed to fill some gaps in the knowledge base. I have attached to my written testimony a description of these studies as well as a summary of research the commission sponsored on displaced workers.

Let me first establish a context for discussing the problems and important policy issues concerning displaced older workers. To understand the problems as well as the policy solutions in the older worker area, it is useful to keep in mind some prototypical older workers:

First, these are average Joes and Janes; that is, mainstream individuals whose earnings increase normally over their working years, peaking in their fifties and leveling off at the end of their working lives, prior to an anticipated period of retirement.

Second, average persons can experience unanticipated mid-life events, such as major health or disability problems or the loss of a long held job, that disrupt the average pattern.

Third, there are disadvantaged Joes or Janes, people who have struggled all their lives. They have histories of intermittent employment and low earnings and often have severe labor market problems as they reach old age.

In considering policies to alleviate the employment problems of older displaced workers as well as other older workers, four conclusions from the commission's research bear emphasis:

(1) Older workers are significantly less likely then younger workers to lost their jobs or become displaced. However, when job loss does occur, the results can be devastating, sometimes making the difference between economic hardship and a secure retirement.

(2) The consequences of job loss are more serious for older workers than younger ones in specific ways: they stay unemployed longer; they experience a greater in pay when they find a new job; they are more likely to retire than both younger job losers and older workers who do not lose their jobs. And they usually stay retired.

(3) The greater drop in pay for older workers is largely due to their greater loss of seniority and firm-specific skills useful on the old job for which the new employers are not willing to pay.

(4) Wage loss, duration of unemployment, and the likelihood of premature retirement and greater when there are adverse conditions in the local and national economy.

These findings point to three conclusions that are important for policymakers to understand:

First, it is undeniable that age discrimination exists in the labor market and that vigorous enforcement of the Age Discrimination in Employment Act by the Equal Employment Opportunity Commission is essential.

Second, many of the labor market problems of older Americans—job losers or not—are grounded in causes other than age discrimination. So even if age discrimination is completely eliminated from the labor market, many older workers would continue to experience employment problems.

Third, employment policies and programs must treat these other important causes of labor market problems directly.

OLDER WORKERS AND JOB LOSS

Although older workers are less likely to lose their jobs than younger workers, the loss of a job, especially a long-held job, can have devastating consequences for the older worker. The unexpected loss of a job implies not only the loss of current income but may be the difference between severe economic hardship and financial stability in retirement based on the accumulation of pension and social security credits as well as savings. This is especially true of the so-called dislocated worker, whose place of employment or occupation is permanently eliminated. Let me first make a distinction between "job losers" and "displaced workers" and the magnitude of these categories. About two-thirds of the unemployed in January 1983, or almost 8 million individuals, were job losers. About 2 million individuals, one-fourth of the job losers, had been working in declining industries or occupations and could be considered permanently displaced, according to Congressional Budget Office estimates for this period. Although it is possible to use other criteria, these provide some idea of the magnitude of the overall problem of displaced workers.

Older workers are substantially less likely to lose their jobs or become displaced than younger workers. Although workers 45 and over are about 31 percent of the labor force, they are only about 20 percent of job losers.

Workers age 45 and older comprise 20.5 percent of the individuals who lost their jobs in declining industries or occupations even though they are more likely than younger workers to be employed in these industries and occupations. Greater seniority probably affords older workers protection against dislocation or job loss in general compared to their younger counterparts.

However, when older workers do lose their jobs, they often face serious labor market problems. These include extended unemployment, induced retirement, and lowered earnings when new jobs are obtained.

Regional decline probably is a more important factor than industry or occupation alone in causing severe problems for dislocated workers in finding new work at wages comparable to those of their previous job. In other words, if the local economy is relatively strong and unemployment rates are generally low, dislocated workers are likely to find new work with other employers at comparable wages. This is especially true if the worker's industry is basically healthy locally and it is only the worker's employer that is having difficulty. If, conversely, the local economy and the worker's industry are in severe trouble, a dislocated worker is more likely to have serious problems than other unemployed workers.

The characteristics of older job losers

Although older job losers can be found at every educational level, they have less schooling on average than older workers in general. College graduates are particularly underrepresented and blue-collar workers are harder hit by job loss than workers in other occupations. For example, one-half of all older male workers were craftsworkers, operatives, and laborers from 1966 through 1978, but these occupations accounted for more than 70 percent of the male job losers.

Differences between the personal characteristics of job losers ages 22 through 44 and those of job losers between age 45 and older are similar to the differences between younger and older workers in general. Older male job losers have less education, are more likely to be white, have health problems, have greater tenure on their jobs, higher previous wages and slightly higher annual earnings than younger job losers. Similarly, older female job losers also have less education than younger female job losers, but young and old are equally likely to be white and have health problems. Older female job losers had longer tenure on their jobs, but they had lower wages and were more likely to have clerical and sales jobs and less likely to have professional or technical occupations than younger female job losers.

Job loss and length of unemployment

When older workers lose their jobs, they are likely to remain unemployed longer than younger job losers. Fifty percent of older male job losers take at least 20 weeks to find a new job compared with 13 weeks or more for 50 percent of younger male job losers, according to a commission-sponsored study of employment service registrants, half of older female job losers take at least 21 weeks to find new work compared with 16 weeks for half of younger female job losers.

It is likely that the effect of age on the potential length of unemployment may be even greater than these figures would indicate because older job losers are more likely to drop out of the labor force than their younger counterparts. Taking the

relationship of age and the probability of dropping out of the labor force into account, older job losers face potentially longer periods of unemployment than younger job losers.

Since characteristics such as education and previous work experience may be related to the employment consequences of losing one's job, it is important to take these factors into account before reaching conclusions about the effects of age and job loss on the employment problems of older workers. The results of such analysis indicate that the effects of age are different for men and women.

Among older male job losers, black men, men with health problems, and those with less formal education are likely to remain unemployed longer than otherwise similar male job losers. The fact that older men have, on average, lower education and poorer health than younger men makes the average duration of their job search longer.

However, being older seems to affect the length of women's unemployment even after other factors are taken into account. This could be an indication of age discrimination in hiring against older women.

Previous earnings can affect the length of time people look for new jobs because, quite naturally, they often try to find jobs that pay as well as or better than their previous jobs. To the extent that employers are unwilling to meet the salary demands of job losers, these persons will remain unemployed until they lower their earnings expectations. Thus, the previous earnings of older workers can become a barrier to finding employment if their earnings expectations are unrealistic. This is the crux of the personal dilemma facing older displaced workers. Realism about job prospects may diminish the hope for a comfortable future that the worker anticipated, and it is painful for program operators to describe the predicament and undermine these individuals' hopes. Assistance for older job losers that focuses on developing more realistic expectations of the labor market, nevertheless, might encourage more displaced workers to take advantage of training opportunities. Realistic expectations may also reduce the amount of time older job losers spend seeking jobs that pay them what they earned on their previous jobs and that are unavailable in local labor markets.

Job loss and earnings

Although older job losers take longer than younger people to find their next jobs, and some older job losers experience large reductions in pay on their new jobs, other do not. They may have had low pay previously or they may possess skills that are readily transferable to new jobs. Earnings reductions are greatest among older workers who are looking for work during poor labor market conditions, who have substantial nontransferrable skills and knowledge associated with seniority, or are age 65 and older.

Wage losses appear to be largest in unfavorable labor market conditions. In a commission-sponsored study of men age 45 and older who lost their jobs between 1966 and 1978, the average loss in earnings on subsequent jobs was 3.5 percent. Older workers who lost their jobs between 1966 and 1969, a period of relatively low unemployment, generally did not experience a wage loss. However, older workers who lost their jobs in a period of higher unemployment, between 1969 through 1978, experienced an average wage loss of 6 percent on their next jobs, and these individuals had also averaged 2 years more of seniority than the job losers during the low unemployment period. Thus, in times of low unemployment, a high demand for workers appears to compensate for the loss of seniority. Conversely, job loss in periods of high unemployment results in greater earnings loss because affected workers have greater seniority and correspondingly higher wage losses.

The drop in pay was greater for older workers than younger job losers—but this does not necessarily reflect age discrimination. In the study, 90 percent of the job losers' wage losses were explained by the nontransferability of the workers' firm-specific skills and knowledge or seniority. Firm-specific skills refer to the knowledge and skills presumed useful only to a specific employer. While most employers are willing to pay more to workers who "know the ropes," a new employer often is not willing to pay for seniority earned and firm-specific experience gained in a previous job.

Because older workers have more seniority than younger workers, and thus more firm-specific skills, their loss in average hourly earnings from one job to the next is correspondingly greater. For example, workers in the study just cited who were age 60 when they lost their jobs averaged more than 11 years of job tenure; these workers experienced an average wage loss of 6 percent. Workers who were ages 45 through 49 averaged 6 years of job tenure when they lost their jobs; they had on average a 3 percent loss in wages. Because most older workers who were forced to

change jobs lost more seniority in the job change, the drop in average hourly earnings on a new job is greater than the drop for younger workers in similar situations.

The study found greater earnings losses for persons over 65 than could be explained by loss of firm-specific experience alone. Some of the loss in earnings for this group can be attributed to changes in the occupations and hours of work of the job losers. For instance, workers over 65 who returned to work were more likely to change occupations and to work part time than were workers between the ages of 45 and 49 in the sample.

Job loss and retirement

Older job losers are much more likely to retire than are older workers of the same age who have not lost their jobs. For example, when the national unemployment rate was 6 percent, almost 30 percent of male job losers age 60 retired; by contrast, less than 10 percent of all males age 60 who were still employed retired at that time, according to a study I did.

High unemployment rates disproportionately increase the number of older job losers who retire early. For example, although an estimated 18 percent of all 60-year-old male job losers retire when the economy is at 4 percent unemployment, almost one-half (44 percent) of 60-year-old job losers retire when the economy is at 8 percent unemployment. Moreover, once retired, these workers tend to stay retired.

Although this retirement may be considered voluntary in the sense that workers prefer retirement to searching for or accepting jobs, the retirement is induced by economic conditions. The workers would not have retired if they had not lost their jobs or if conditions had proved more propitious for finding a new one. As a result, job loss and high unemployment have significant long-term costs for the economy in terms of both the loss of potentially productive workers and increased Social Security, private pension, and other payments.

POLICY IMPLICATIONS AND RECOMMENDATIONS

Economic policy and older workers

The National Commission for Employment Policy said in its May 1983 statement, "An Employment Policy for America's Future," that "the success of economic policy should be judged first of all by its ability to provide jobs for American workers." Economic policies often are set in place without full consideration being given to their employment impact.

For example, while a dynamic economy implies that some firms close and some unemployment occurs, research has shown that persons in their late fifties and early sixties who lose their jobs are much more likely to retire than if they had the opportunity to continue to work for the same employer. This is especially true in times of high unemployment. Since retirees rarely reenter the labor force, this is a permanent loss of workers to the economy.

Therefore, the commission recommends that the Federal Government establish a new priority for employment in the development of its overall economic policies. In the trade-offs that inevitably must be made in developing national economic policy, Federal policymakers should recognize the often hidden but substantial long-term costs to the economy and to older individuals that result from induced retirement caused by high unemployment.

Employment policy and older workers

A central issue in the discussion of older workers' labor market problems is whether these problems are caused or exacerbated by age discrimination. While the exact extent of age discrimination is difficult to measure and while many of the labor market problems of individuals over age 45 are grounded in causes other than age discrimination, that age discrimination exists in individual cases is undeniable. Our findings indicate that it is necessary to continue to address age discrimination through legal remedies.

The commission recommends continued and vigorous enforcement of the age discrimination in employment act by the Equal Employment Opportunity Commission. The commission believes that such enforcement in combination with private lawsuits is critical in eliminating age discrimination.

The commission recognizes that older workers who lose their jobs often face special difficulties. Compared to their younger counterparts, older job losers are likely to suffer longer spells of unemployment and greater losses in earnings when they do find new jobs. This is caused, in part, by the fact that older workers have seniority and specialized skills not always useful in new employment situations.

The commission recommends that job training programs, such as those funded under the Job Training Partnership Act, should seek to provide special assistance to

older job losers with an emphasis on systematic assessment of their strengths in terms of job experience and long-developed skills so that training can be provided to minimize loss of wages in new employment. Such assessments should be specifically emphasized in programs designed to serve the needs of dislocated workers such as those under title III of the act.

The commission recommends that realistic adjustment counseling should be provided to older individuals whose jobs have been eliminated, especially in poor labor markets, and who as a result may have to change occupations or accept somewhat lower wages in order to continue working. Such assistance, especially when provided while the worker is receiving unemployment insurance, could help reduce spells of unemployment, ensure that retraining is undertaken faster, and improve the employment prospects of older job losers.

Although employer actions are critical to the improvement of the employment situation of older workers, many older workers have a need for training and other services that cannot be adequately addressed by employers alone. Thus, Government has an important training and employment role to play. As a general rule, older workers can be successfully served by existing public job training programs as long as proper attention is paid to older individuals' needs. The commission found that Comprehensive Employment and Training Act programs were generally successful in training and placing older workers in private sector employment. Although older, eligible persons were less likely to participate in CETA than younger adults, a substantial part of the difference is accounted for by factors other than age, such as the fact that many older eligible individuals were retired and had no interest in taking further training for employment. The experience of older workers who are served under the Job Training Partnership Act can also be successful.

The commission recommends that older workers who are eligible and desire training should be given equitable access to JTPA regular (title II) training programs and those established for displaced workers under title III of the act. In recruiting and training older workers, training program operators should make special provision for factors such as health problems that impede older workers' participation in training programs.

The commission recommends that funding levels for the Job Training Partnership Act should be increased, because fewer than 10 percent of all eligible low-income individuals and dislocated workers, including those individuals age 45 and over, can be served with the current funds.

Many older job losers wish to work part time or in new occupations. They often have experience, skills, and talents that go unused because they have difficulty finding appropriate work. Specialized placement services for older workers have proved to be successful in a number of areas of the country.

The commission recommends that specialized job placement services to meet the unique needs of older workers should be developed and supported as a part of the regular operations of publicly supported employment and training agencies, including those funded under the Job Training Partnership Act, the Senior Community Service Employment Program, the Wagner-Peyser Act (job service), as well as other State and local agencies.

There are many examples of employer programs and age neutral personnel practices that other companies can adapt to combat age discrimination and to increase employment opportunities for older workers, especially those inviduals approaching conventional retirement age. Employer actions that simultaneously meet company-specific business needs and the training and employment needs of older workers are critical to the improvement of their employment opportunities.

The commission recommends that Federal agencies such as the U.S. Department of Labor, the U.S. Administration on Aging as well as State and local governments should promote the adoption of innovative employer-sponsored programs and practices for older workers through the dissemination of information on successful efforts in this area.

The commission has contributed to improving the employment conditions for older workers by publishing two guides containing information about successful public sector and employer-sponsored programs and practices. Older workers employment comes of age: practice and potential is a strategy development guide written for private sector, local and public sector, and community organization personnel. A Practitioner's Guide for Training Older Workers is a technical assistance handbook written for persons involved in developing and running programs using 3 percent set-aside funds for persons 55 and over under the Job Training Partnership Act.

CONCLUSION

The labor market problems of displaced older workers are serious. However, as I have indicated, there are several policy directions that Government and private sector policy makers can take that will not only benefit the older workers, but will benefit those businesses that hire them.

I appreciate the opportunity to testify and would be happy to respond to any questions you may have.

NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS—RESEARCH SPONSORED BY THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY AND THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE U.S. DEPARTMENT OF LABOR

"Estimated Effects of 1983 Changes in Employer Health Plan Medicare Payment Provisions on Employer Costs and Employment of Older Workers", Joseph M. Anderson et al., ICF Inc.

Recent amendments to the Age Discrimination in Employment Act resulting from the passage of TEFRA were analyzed in terms of costs to private employers and the effects on private employment. The Amendments were designed to shift the cost of health care for workers aged 65 through 69 from Medicare to employer health plans. The changes should have little effect on the aggregate employment of older workers (reducing demand by about 1 percent). The will raise employer costs by making employer costs by making employer plans the primary payer of benefits and by requiring any company with any type of benefit plan to cover employees aged 65–69 as well as younger workers. However, because these added employer costs will be offset by reductions in other compensation, such as wages and salaries, the author concluded that employment of older workers should change little because of this legislation.

"Age, Productivity, and Earnings: A case Study of a High Tech Firm", Paul J. Andrisani and Thomas N. Daymont, Center for Labor and Human Resource Studies, Temple University.

The authors examined earnings differences between the older and younger professional and managerial workers of an anonymous high-tech firm and estimated how much of these differences are attributable to school, work experience, skills obsolescence, and similar characteristics rather than to changing attitudes toward work, physiological aging, or age discrimination. The disadvantages of older workers (skills obsolescence, limited schooling, health problems, and less geographic mobility) are offset by greater work experience. However, reduced productivity associated with declines in performance, changing preferences for leisure, increased opportunity costs and shorter payback periods for on-the-job training, and age discrimination in employment account for roughly a 7.5 percent decline in the earnings of older workers. When firm-specific OJT investments are considered, virtually all association between age and earnings over the life cycle disappears.

"Sources of Labor Market Problems of Older Persons Who Are Also Women, Handicapped, and/or Members of Minority Groups", Robert L. Clark, North Carolina State University.

Certain demographic groups continue to have relatively low incomes and greater difficulties in finding and maintaining desirable positions in the labor market. This study presents earnings ratios by sex, race, educational attainment, and health status, to determine whether or not the relative earnings of these groups decline further with age. Using data from the Retirement History Study (RHS), Clark finds no evidence that nonmarried females, nonwhites, and persons with low levels of educational attainment experience declining earnings relative to white males as they grow older. However, the relative earnings of those with health limitations do decline with age. Additional years of education raise the life cycle earnings for each demographic group.

"Emerging State and Local Roles in Developing Options for Older Workers: Practice and Potential", James O. Gollub, SRI International.

The roles of the public and private sectors in stimulating desirable work opportunities for older workers are changing and policy strategies can increase the options. Five categories of policy tools are identified: regulation/deregulation, tax policy change, program innovation, Administrative reform, and public/private collaboration. Diverse (but limited) activities to increase employment options are taking place at Federal, State, and local levels, in progressive firms, and through new collabora-

tive public/private organizations. Regulatory policies, administrative changes, and experimentation with new models of employment assistance have already established a framework on which further efforts can be built. The need is to promote more systematic policy change that is sensitive to the conditions facing business and to better link the older worker with labor market opportunities.

"Older Workers' Responses to Job Displaceing and the Assistance Provided by the Employment Service", Terry R. Johnson et al., SRI International.

The study identifies the types of older workers who become displaced and examines the role of the U.S. Employment Service in assisting displaced older workers. Detailed interview data, combined with ES agency records on services provided, were the data set used for the analysis. The displaced older workers appears to be somewhat more advantaged than other job seekers in terms of demographic characterists and previous employment histories, but displaced older workers tend to have somewhat poorer subsequent reemployment experiences. They fare no better than other unemployed older workers. The characteristics of displaced older workers with successful reemployment experiences include more education (having at least a high school diploma), not being a mandatory ES registrant (not registering to receive unemployment insurance benefits), and living in a location with low unemployment rates. The authors make several recommendations, including special assistance to displaced older workers who are less educated or who are forced to leave long-held jobs. They suggest that improved job referral services for older workers should be a primary ES goal.

"Older Workers in the Market for Part-Time Employment", James M. Jondrow et al., Center for Naval Analysis.

After consulting a number of data sets and entertaining a number of hypotheses, Jondrow and his associates concluded that employers find part-time workers of any age to be more costly per hour and less productive than full-time workers of the same age. As a result, employers offer part-time workers a lower wage relative to full-time workers. For older workers, this prospect of low compensation for part-time work appears to be less appealing than full retirement, thus discouraging them from activley pursuing part-time Jobs. Reducing social insurance taxes, removing the Social Security earnings limit, or offering subsidies all appear to be ineffective in drawing more older persons into part-time jobs. Since older persons themselves resist part-time work, the authors suggest that Federal policy initiatives in this area are unnecessary.

"Multiple Liability? A Survey and Synthesis of Research Literature Pertaining to Labor Market Problems of Selected Groups of Older Workers", Andrew I. Kohen, James Madison University.

Research literature on three possible sources of double jeopardy for older workers (being black, being female, or being handicapped) focuses primarily on earnings and joblessness as measures of labor market success or failure. Most of the studies surveyed do not show that the lower earnings or higher unemployment experienced by blacks as compared with whites grow worse at later stages of the life cycle. For older female workers, this form of double jeopardy is responsible for comapratively lower earnings and higher unemployment. For older handicapped workers, the few studies done also show double jeopardy. The survey and synthesis of existing research indicates the clear need for theoretical and empirical research directed explicitly at the questions of mulitple jeopardy of older workers.

"A Human Resource Management Perspective on Work Alternatives for Older Americans", Carolyn E. Paul Andrus Gerontology Center, University of Southern California.

Twenty-five companies that have become nationally known for their progressive policies targeted toward retirement-age workers were surveyed. Among formal personnel programs, labor pools for part-time work assignments and phased retirement were more often used (and publicized), while job-sharing, training/retraining, and job recruitment were less often uses. Job redesign and job transfer tended to occur informally rather than formally. Public policies have stimulated the creation of job options, shaped their structure, and influenced their utilization by older workers. Management decisions to implement options were influenced by the culture of the organization, the need for the option in the workplace, the character of labor-management relations, and business conditions. Older worker civilization of employment options was influenced by managment's communication of option availability, compensation and employee benefit provisions, and Federal employment policy regulations. The findings suggest the need for governemnt marketing strategies to "sell"

employment options to employers, unions, and older persons. Two federal policies provided disincentives for older workers: the Social Security retirement earnings test and the Employee Retirement Income Security Act (ERISA) pension suspension policy.

"Innovative Employment Practices for Older Americans", Lawrence S. Root and Laura H. Zarrugh, Institute of Gerontology, University of Michigan.

Using the National Older Worker Information System, a computerized data base developed at the University of Michigan, the authors analyzed a variety of company-sponsored innovative programs and practices involving older workers and discuss examples directed to specific segments of the workforce. Older workers encounter at least four major barriers to continued effective employment: negative stereotypes in hiring or job promotions, limited training or retraining opportunities, limited part-time employment options, and minor disabilities. In response to these problems, private sector employers have designed several innovative approaches: objective work appraisals, full- and part-time hiring programs targeted to mature workers, training and retraining programs designed for older persons, and job modification or redesign efforts that provide the opportunity for continued employment to workers who suffer a minor disability. Private sector programs of these types will continue to expand with the growth in the proportion of older persons in the National labor force, but these efforts will be limited to situations in which the program/practice works to the advantage of the employer as well as the older worker.

"Eligibility and Participation Rates of Older Workers in Employment and Training Programs", Kalman Rupp et al., Westat, Inc.

As part of a study of the participation of older workers in employment and training programs and the effectiveness of these programs, Rupp et al. examined the population eligible for CETA and Senior Community Service Employment Program (SCSEP). They found that the size of the CETA/SCSEP eligible population is limited by program-specific requirements. For CETA title II-B programs, some eligibility rules are advantageous to the elderly, but overall there is a clear negative association between age and the probability of title II-B participation. the estimated proportion of SCSEP eligibles rises also with age. During the program year 1980–81, 23,000 persons aged 55 or over (0.5 percent of those eligible) participated in CETA II-B programs and 77,000 persons aged 55 and over (0.67 percent of those eligible) participated in SCSEP.

"Age Discrimination and Labor Market Problems of Displaced Older Male Workers", David Shapiro and Steven H. Sandell.

Shapiro and Sandell examined the age-wage relationship of displaced male workers 45 years and older who subsequently found new jobs between 1966 and 1978. Using the National Longitudinal Surveys (NLS) of Mature Men (aged 45–59 when first interviewed in 1966), the authors found that workers age 65 did suffer wage penalties compared to younger reemployed displaced workers. The loss of firm-specific human capital associated with seniority on the predisplacement job accounts for most of the wage decrease, but some can be attributed to changes in the occupations and hours of work of displaced workers. Older workers who return to work are more likely to change occupations and to work part-time than younger workers. Overall, they conclude that age discrimination is not evident in the wages of displaced male workers aged 45 to 65.

"Women's Increased Lifetime Labor Supply: Implications for Social Security Policy", Steven H. Sandell, National Commission for Employment Policy.

Sandell focuses on the spouse benefit as an example of the importance of changes in women's lifetime labor supply on the Social Security system. In light of women's increased labor force participation and the current Social Security benefit computation rules, he concludes that those debating the merits of the spouse's benefits have exaggerated their cases. Those who claim elimination of the benefit would have a negative impact on child development ignore the fact that most women can spend their child-rearing years without working but still not receive substantial dependent's benefits. Those who call for elimination of the benefits fail to see that it may not be necessary to overhaul the system since, by the next century, only a small minority of women may actually receive the "subsidy" anyway. Sandell does, however, suggest that the current system could be made more equitable to all involved by basing spouse benefits on different criteria than the husband's (or higher earning spouse's) earnings. At any rate, policymakers designing legislation to change the benefit structure of Social Security should understand that the 21st century could

be characterized by very different sex-related earnings and labor supply behavior than the recent past.

"Coordination and Cooperation Between SCSEP and CETA Operations", Cilla J. Reesman, Westat, Inc.

Interviews were held with a variety of CETA prime sponsors and SCSEP program operators to determine the extent of cooperation and coordination between CETA and SCSEP in meeting the needs of older adults. Where cooperation worked well, older adults could be employed and paid by SCSEP and trained by CETA. However, coordination and cooperation did not always exist. Some CETA sponsors felt that the training of young people was the prime mandate of CETA. Others felt that the pressure to place trainees in jobs meant that it would not be feasible to train older adults who would be more difficult to place. The sample size was limited to 9 CETA prime sponsors and 9 SCSEP operators.

"Retirement and Older Americans' Participation in Volunteer Activities", Carol Jusenius, National Commission for Employment Policy.

Retired workers could be an important source of volunteers to meet needs left by declines in the role of government. If workers are persuaded to work more years, will volunteerism suffer? In a study of data on volunteerism, it appears that relatively few people participate in volunteer activities, and the volunteerism is lower, rather than higher, among older people. Education has a positive influence on the likelihood that an older person will volunteer, but living in an area with a high concentration of people in need has a negative influence. History of volunteering is a high predictor of likelihood to volunteer in the future, but few peole volunteer continually. Policies that encourage people to work more years rather than retire early are unlikely to afect the probability that an older man will volunteer. Polices that permit moving from full- to part-time work will increase the likelihood that older women will volunteer for some kinds of work. Income from assets (including Social Security) increases the likelihood of volunteering.

"Restructuring Social Security: How Will Retirement Ages Respond?", Gary S. Fields and Olivia S. Mitchell, Cornell University.

To estimate the magnitude of older workers' responses to a restructuring of the national Social Security system, the authors analyzed the current earnings, Social Security, and private pension opportunities available to older workers. Five restructuring proposals are examined to determined how they would affect retirees' incomes, and the corresponding responses of older workers are evaluated.

They found that lowering Social Security benefits for early retirement and increasing the gain from deferred retirement would have the biggest impact on delaying retirement; increasing the age of eligibility for normal benefits would have an immediate effect; increasing only the late retirement credits would have the least effect (essentially no change in retirement ages).

Among the policy implications are that reducing early retirement benefits and increasing the normal retirement age would save the Social Security system money but hurt the average worker, and those who could not postpone early retirement would suffer the most.

To obtain a copy of any of the above research studies, contact the National Commission for Employment Policy, 1522 K Street, N.W., Suite 300, Washington, D.C. 20005, Phone (202) 724-1545.

Displaced Worker Research Summary, May 1985

(Prepared by Stephen E. Baldwin)

The National Commission for Employment Policy (NCEP) has been concerned with the problems of displaced workers for a number of years. During the 1980's, the NCEP has issued several reports on displaced workers. The most recent ones are part of its ongoing "Changes in the Workplace" project. The present document provides summaries of NCEP reports that were explicitly designed to study displaced workers; other reports, e.g., those concerned with the design or evaluation of the Job Training Partnership Act, or with the impact of computer-based equipment, may also be relevant. Single copies of reports noted here, and information on other Commission publications, can be obtained by request from the Commission, 1522 K Street N.W., Suite 300, Washington, D.C. 20005.

As indicated here, the NCEP's studies adress one or another of three major issues: identification of displaced workers and the extent of their problems; programs

which have addressed these problems; and analysis of general policy and program issues. Within these three issue areas, reports are listed chronologically.

A. DIMENSIONS OF DISPLACEMENT

The displacement problem of the 1980's has been minimized by some researchers and magnified by others. Studies sponsored by NCEP come to a general conclusion that while a significant number of workers have been displaced, the number is not overwhelming. Further, a major characteristic of displaced workers is their concentration in particular parts of the country, industries and occupations.

1. "Workers Dislocated by Economic Change: Do They Need Federal Employment and Training Assistance?" by Marc Bendick, Jr. and Judith R. Devine, in National Commission for Employment Policy, Seventh Annual Report, Report No. 13, (Washington, D.C.: U.S. Government Printing Office, October 1981), pp. 175–226.

This study estimated the numbers of dislocated workers from declining occupations, industries or regions, who had been employed at least eight weeks. The data were from the March, 1980 Current Population Survey. The estimates ranged from 90,000 to 900,000 unemployed persons, and represent the first attempt to provide a comprehensive national estimate of the size of the displaced worker population. The authors also analyzed the industrial, occupational and regional dimensions of the displacement problem; they found that there were strong concentrations of displacement, predominantly in the upper Midwest, where the auto and steel industries and their workers had been most adversely affected by structural and cyclical change.

2. "Age Discrimination and Labor Market Problems of Displaced Older Male Workers," by David Shapiro and Steven H. Sandell, NCEP Research Report 83-10, Washington, D.C., June 1983.

This study investigated two issues: first, whether older displaced workers who are re-employed experience greater losses in earnings than their younger counterparts. Differences in earnings, after taking into account other factors such as education and work experience, could be a sign of age discrimination. Earnings losses experienced by displaced workers were about 3½ percent, on average, after adjusting for inflation, and were largely due to lost seniority and experience-based elements of pay. There was no evidence of age discrimination against workers under the age of 65. However, the earnings on new jobs of workers 65 and over averaged less than expected given their previous employment histories. This is consistent with age discrimination in earnings for this oldest group.

Second, the study also assessed the extent to which losses in earnings differed due to variations in overall economic conditions during 1966 to 1978. Earnings losses were negligible during the early, low unemployment years of 1966–69, but averaged around 6 percent during the mid-to-late 70's when unemployment rates were much higher. This suggests that older displaced workers have a particularly hard time finding new jobs at comparable wage levels in slack labor markets.

3. "Identification of Dislocated Workers Utilizing Unemployment Insurance Administrative Data: Results of a Five State Analysis," by Robert L. Crosslin, James S. Hanna and David W. Stevens, NCEP Research Report 84-04, April 1984.

This paper was written in response to a Congressional inquiry on the feasibility of determining if individuals filing claims for unemployment insurance (UI) are structurally unemployed. The paper used administrative data for the UI programs in Missouri, Nevada, Pennsylvania, South Carolina and Washington, to identify individuals as dislocated, and among these, which were most likely to experience labor market hardship.

The researchers concluded that it is reasonable to characterize as structurally unemployed any workers from locally declining industries who have claimed UI for six months or more. Local employment data are needed, since State and national aggregation can mask substantial changes in local job creation and loss. Using data for about 20 labor markets, the authors estimated that 11 to 19 percent of unemployed workers could be categorized as dislocated and structurally unemployed, using their preferred definition of UI benefit exhaustion from a locally declining industry.

4. "An Examination of 'Permanent' Displacement Utilizing Continuous Wage and Benefit History (CWBH) Data," by David W. Stevens, Report prepared for the NCEP. Expected completion date, Fall 1985.

Using data similar to that described in #3 above, the researcher will focus on the question of whether workers identified as displaced in earlier research were rehired

in the same industry or by the same employer. That is, how well do the screens previously used for identification of displaced workers discriminate between structurally and cyclically unemployed workers?

B. PROGRAMS TO AID DISPLACED WORKERS

Federal programs directed at displaced workers are not new. Some of the earliest efforts were programs under the Manpower Development and Training Act and the Trade Adjustment Assistance Act, both authorized in 1962. A major feature of most of the programs targeted on displaced workers has been reliance on the Unemployment Insurance (UI) system to deliver stipends and services. Most of the Commission studies listed in this section refer to programs operated under the Comprehensive Employment and Training Act (CETA), in force from 1973 to 1983.

5. "The Role of CETA in Providing Services to Non-disadvantaged, Displaced Workers," by Michael C. Barth and Fritizie Reisner, ICF Incorporated, Report to the National Commission for Employment Policy, Washington, D.C., October 1981.

This study analyzed the extent to which dislocated workers had been served in programs under the Comprehensive Employment and Training Act (CETA), the precursor of the current Job Training Partnership Act (JTPA). The authors looked at a large labor market with a high unemployment rate (Buffalo, N.Y.) as a case study, conducted interviews with CETA officials from around the nation, and performed statistical analyses using followup data on CETA participants. They found that for a variety of reasons, CETA provided almost no assistance to dislocated workers. They suggested that greater program flexibility in both eligibility standards (which excluded most persons with incomes above the poverty level) and resource allocation might allow local areas to respond more effectively to plant closings and mass layoffs. This flexibility at the State level is a major feature of Title II of JTPA.

6. "Workers Dislocated by Economic Change: Toward New Institutions for Midcareer Worker Transformation," by Marc Bendick, Jr., Report to the National Commission for Employment Policy, Washington, D.C., February 1982.

The author examined the needs of dislocated workers for assistance in finding new jobs. He found that many of the difficulties they face are due to generic problems with labor markets. Specifically, a lack of information about available jobs, and insufficient funds to finance relocation or retraining are major barriers. Job search assistance and financing of specific skill training are the highest priority needs.

Foreign models of appropriate programs include the Canadian Manpower Consultative Service, for the provision of job search assistance; and the French Further Vocational Training System for the provision of skill training. The author stresses that these or similar programs should be targeted on the entire mainstream workforce, rather than on the displaced unemployed. Upgrading and retraining would ideally take place either within the firm or with its active cooperation before and after layoff. The goal is to minimize the duration of unemployment experienced by workers whose jobs disappear.

7. "Older Workers' Responses to Job Displacement and the Assistance Provided by the Employment Service," by Terry R. Johnson, Katherine P. Dickinson, and Richard P. West, SRI Inc., NCEP Research Report 83-13, Spring 1983.

This study investigated the experiences of workers who had been involuntarily separated from their jobs and who then registered with the Employment Service (ES). The data had been collected as part of SRI's evaluation of the U.S. Employment Service. The researchers found no evidence that the displaced workers were significantly different from other unemployed workers in terms of personal characteristics or work histories. However, displaced workers did have somewhat more difficulty in becoming reemployed, especially the older men. ES referrals to job openings were significant in shortening the period of unemployment for older women (both displaced and others). It appeared that the ES referred disproportionately fewer older than younger workers, however. Another important finding was that among displaced workers, those with less education experienced the most severe reemployment problems.

8. "Innovative Developments in Unemployment Insurance," by Wayne Vroman, The Urban Institute, NCEP Research Report 85-02, February 1985.

This report examined recent legislative changes in State unemployment insurance (UI) programs with respect to four major topics: Work sharing; experience rating; the work test; and the interrelationship between UI and job training programs. The

author found that changes in these areas have a potential "modest" impact in reducing insured unemployment, but have beneficial effects in other areas as well.

Under work sharing programs, weekly hours per worker are reduced and each participant receives pro rated UI benefits for the time not worked. This appears to be an attractive alternative to mass layoffs under certain circumstances.

Largely due to the deficits in many State UI trust funds during this decade, States have tended to increase the extent to which employers' tax payments reflect the amounts their workers have been paid by the UI system: this relation between layoff experience and tax rates is called experience rating. The author concluded that more reliance on experience rating will tend to inhibit employers' use of layoffs, reducing the incidence of unemployment and the amount of compensation paid.

The work test is a shorthand term for the requirement that UI recipients be actively seeking work and be available if a suitable job is offered. Evidence from a South Carolina demonstration project, which enforced this provision more stringently than do most States, indicates that to do so is a cost-effective way to lower UI outlays. However, it does not seem to improve substantially either recipients' likelihood of finding jobs or their earnings on jobs found.

The author found that some conflict can exist between the work test and participation in retraining programs, the fourth topic. This arises if an unemployed person wants to train for a new job while on UI, and UI administrators are unwilling to waive the work test. Refusal of a job in order to complete training can lead to denial of benefits, unless suitable administrative provisions are in place. The author suggests that State and federal cooperation and coordination between UI and the Job Training Partnership Act agencies would reduce this problem.

C. PUBLIC POLICY CONSIDERATIONS

Policy analysis attempts to apply general principles or goals, such as equity and efficiency and syntheses of the empirical research on a particular problem, to obtain recommended courses of action for decisionmakers. The most important part of the NCEP's studies of changes in the workplace in general, and displaced workers in particular, is an attempt to define the Federal role in responding to the uneven pattern of gains and losses associated with a dynamic economy.

9. "Displaced Workers: New Options for a Changing Economy," by Stephen E. Baldwin and Ann Donohue, NCEP Research Report 83–17, September 1983.

The first version of this staff paper was prepared at the request of the Senate Budget Committee (February 1983). The paper discussed the potential uses of the unemployment insurance system for facilitating readjustment by displaced workers. It suggested that an effective program should be targeted on persons who are eligible for aid under JTPA Title III, who are recipients of UI, and who are unlikely to be reemployed in their previous industry or occupation because of structural change in the economy.

The paper suggested that what is needed most is a programmatic link between the existing JTPA and UI systems. The need is for workers to receive income support while obtaining adjustment assistance, such as job search clubs or skill upgrading. Elements of the recommended program include: assessment of reemployment potential, preferably before unemployment begins; counseling and job search programs requiring the worker's active involvement in testing the local labor market; training opportunities and relocation assistance where appropriate (expected to be so for a minority of workers); and an incentive to participate in the program based on receipt of additional weeks of UI benefits beyond the 26 week State maximum while in the program. The paper concluded with a discussion of financing issues and a several-year timetable for implementation of the suggested program components.

10. "Displaced Worker Policy: Domestic Content Plus Imported Ideas," by Stephen E. Baldwin. Presented at meeting of the Society of Government Economists/ Allied Social Science Associations, San Francisco, CA, December 29, 1983.

This paper discussed the nature of the dislocated worker problem and cross-classified two types of policy tools designed to deal with it. The first set of alternatives is whether the policy relies mainly on incentives, or mainly on mandates (laws and regulations). The second set of alternatives is whether a policy emphasizes adaptation to change or resistance to change. Within the resulting cross-classification, policies can be judged on the basis of general criteria, e.g., cost-effectiveness.

Moving from the combination the author preferred least to the one preferred most, examples of programs were given; Mandates/resistance: domestic content laws; Incentives/resistance: subsidized long-term unemployment, such as under the Trade Adjustment Assistance program; Mandates/adaptation: Japanese "lifetime

employment" system; Incentives/adaptation: Canadian Manpower Consultative Service.

It should be stressed that neither these examples nor other programs should be thought of as "pure" cases of solely one category. However, the analysis may be useful in making explicit the necessary choices among competing means, as well as competing ends.

D. DATA AVAILABLE FOR ANALYSIS

One project sponsored by the Commission has the potential to contribute to all three issue areas just described.

11. "Dislocated Worker Public Use Data Tapes," Pepared by Robert L. Crosslin for the National Commission for Employment Policy, April 1985.

The contractor prepared data tapes for the five States used in the analysis described in #3 for workers who involuntarily lost their jobs during 1979 or 1980. Sample sizes range from 3,800 to 6,000 and are based on the Continuous Wage and Benefit History Program (CWBH) under which fourteen States provided the U.S. Dept. of Labor with quarterly reports on a random sample of workers covered under their UI programs. As constructed, the data enable the researcher to analyze workers' employment and earnings patterns in terms of both industries and specific employers (firms).

Documentation for these tapes is available to researchers who write to the NCEP. Tape copies will be made available for the cost of reproduction to researchers who send the Commission a short research plan indicating their ability to make effective use of the data. This project was undertaken in order to facilitate analysts' awareness and use of a data set uniquely well-suited to studying the labor market experiences of displaced workers.

For additional information on any of the projects discussed in this summary, please write Stephen E. Baldwin, staff economist, at the address given in the first paragraph.

Mr. BONKER. Thank you, Dr. Sandell. Now, we will move to our last witness, the anchor person for the day, the Executive Director for the National Council on Aging, Mr. Ossofsky.

STATEMENT OF JACK OSSOFSKY, EXECUTIVE DIRECTOR, NATIONAL COUNCIL ON THE AGING

Mr. OSSOFSKY. Thank you very much, Mr. Chairman. Members of the committee. It is a gratifying convergence of coincidence, perhaps, Mr. Chairman, that you are chairing this hearing, and that you are also the chairman on the Subcommittee on International Economic Policy and Trade of the Foreign Affairs Committee. And, have recently been appointed by the Speaker, as chair of the House Democratic Task Force On Trade.

I believe that what you hear in the course of this hearing, will be of value to you in your other responsibilities and, hopefully, will have an impact on the less happy convergence of experience; that is, the experience of a growing proportion of our population, living longer, facing age discrimination, at a time of massive loss of jobs in our economy.

Mr. BONKER. Mr. Ossofsky, I can assure you I am already feeling a considerable discomfort of what you just said.

Mr. OSSOFSKY. Well, I hope it will prove to be not so discomforting as we come up with some hopeful answers, and some action by the Congress or the administration.

Our organization has been involved now for over 35 years in the evolution of programs to serve middle-aged and older workers, and serves as a clearinghouse on information, in that regard. Also, it administers major programs that create employment opportunities for middle-aged and older people.

When I look back over these past three decades, especially the last 5 to 10 years, I am sorry to tell the committee that I do not see in the employment front as bright a picture, as can be seen, in the areas of health care, health services, retirement, income improvements, longevity, and the growth of community services directed to the needs of older persons.

Instead, our analysis shows a deteriorating employment picture, and a withdrawal of adequate resources and effective responses to the mounting problems of older workers by the Federal Government, including the Congress, and the private market.

There is occurring today, this convergence that I mentioned, of economic events and demographic trends, which could grow to disastrous proportions if effective and prompt interventions are not initiated by both the public and the private sectors of our country.

Is it important for the Congress and the administration to understand that the continuing trade deficit and the consequent massive and growing loss of American jobs, is an older worker problem in large measure, and could become a massive older person's poverty problem over the next two decades.

What we see as a result of today's policies, is an inheritance by our country of a new older poor group for tomorrow.

The BLS data which you have heard referred to here today, underscores that for those older workers who lose their jobs, have a much more difficult time in finding new ones. In addition, if they do find a new bit of employment, they do so at less salary than they earned before.

The older displaced worker is more likely to lose his job in a plant or company, due to permanent closing, in addition, rather than to short-term slack periods, than is true of the younger worker.

Some evidence of this exists in the BLS figures. While 49 percent of all of the 5.1 million displaced workers studied by the BLS, lost jobs in plant closing or moving situations; 58 percent of the workers, over 55, and, 71 percent of the workers 65 and over, lost their jobs in plant closedowns or moves.

Just last month, BLS updated its plant closing information, and reported the permanent loss of more than 8 million manufacturing jobs since 1979. We think that an examination of the data will show that of these 8 million lost jobs, more than a third, close to 3 million jobs were held by workers 45 years of age, or older.

Now, that amounts, Mr. Chairman, to a major disaster for these individuals, and for our economy as a whole. And, I believe that describes a massive degree of unresponsiveness by the Federal Government and the States, and by the private market.

The BLS dislocated worker study shows that the older you are when you lose your job, the longer you will be unemployed, the more likely you will become completely discouraged and drop out of the labor force. It is only in the last few years we have created this new terminology of the discouraged worker. That discouraged worker, is a hidden portion of the data, often not recorded in many of the studies about unemployment in our country.

Overall, there are more than 1.2 million such discouraged, and probably more than half are 45 years of age or older.

Now, while 70 percent of the younger dislocated workers in the group studied found jobs by early 1984, only 40 percent of those 55 years of age or older have found jobs, and only 21 percent of the 65 year olds and above, found jobs.

Even more troubling, workers withdrew from the labor force; 27 percent of the even relatively young, 55 to 64 dislocated workers withdrew from the labor force, and fully, 67 percent of the 65 year olds, withdrew from the work force. These people are lost to our economy.

An earlier study by the Upjohn Institute, called Plant Closure Policy Dilemna, showed that displaced factory workers' earnings were 39 percent lower in the year after displacement, than the year of the last employment. And, that earnings of displaced workers under 40, were higher than the earnings of displaced workers over 40.

The longer period of unemployment for the 40-plus group as a result of continuing effects of age discrimination, and difficulties of finding new jobs, impact on everything in the lives of these people.

Just recently, in the last few weeks, a plant closed in central Pennsylvania. As a result of the importation, not of steel, but of shirts. This is a real situation in the Arrow Co., in which 1,000 shirt manufacturing jobs were lost to cheap imports from another part of the world.

A typical woman who lost a job in that factory, will have to convert her health insurance within 4 months, and pay an excess of $1,000 a year in premiums for coverage, far more limited than her group plan previously provide. But, she is not alone in this regard. Already we know from studies released last week by the Employee Benefit Research Institute, that over 33 million Americans have no health insurance coverage. And, the efforts to provide some such protection by the Federal Government in health care for these unemployed workers, is dead in the water. And, that is a responsibility for Congress. That unemployed worker will apply for, and probably get unemployment benefits. But, if the pattern holds true, she will run out of unemployment benefits, and find herself among the 70 percent of the 8.5 million unemployed, and, 90 percent of the 1.3 million long-term unemployed who receive no unemployment insurance benefits anymore, and must subsist on what remains of their savings, welfare, or the sale of possessions.

You know, Mr. Chairman, that Congress just recently let lapse the Federal Extended Unemployment Benefits Program. What about the vesting of pension benefits. She may not yet have been vested. But, even if she was vested in her plan, she will not be provided with any benefits under the Arrow plan, at least, for 5 or more years, and then, for reduced benefits, unless, perhaps, she becomes disabled, before the age of 60.

This, too, is an inheritance for lower Social Security benefits guaranteed her. Because that period of unemployment, means her payment to the fund will be less, her Social Security benefits will be lower than might otherwise have been expected. This does not even touch an immediate cost, which all kinds of studies have shown, stem from increased illness, alcoholism, stress, heart disease, and stroke, for unemployed workers, particularly, the long-

term unemployed. Nor does it make reference to the burden of the family of these middle-aged and older workers.

By 1990, or thereabouts, we will find this fairly typical woman worker of among 1,000, and many others in her community applying for SSI benefits, or early Social Security benefits, at minimum levels. She may need, if not qualify, for Medicaid benefits. She will probably not have very many assets left.

She may, indeed, in that interim period, have been forced to sell her home at a reduced price, a decision many mature workers in depressed industrial communities face during these periods.

This is the profile, Mr. Chairman, and members of the committee, of the older poor of the 1990's, in the 21st century. That is an inheritance we are giving to that period of time. It is the kind of profile we found in the 1950's and 1960's. And, it serves to justify many of the programs that this committee and our organization together, helped generate and continue to support.

We have some protections today for older people, but they need to wait, these middle-aged workers, to benefit from most of them. Congress has to ask itself, as the administration needs to ask itself, and answer to the public, why do we have to sit back and assume that we can do nothing to assist mature unemployed people, whether it is the Pennsylvania garmentworker or steelworker, why cannot we do something about that situation now.

Why should we wait until, perhaps, millions of the cohorts of these workers reach the ages of entitlement for Social Security, or other benefits. Or, indeed, now, is forced to call for support from the welfare system.

Why can we not confront the trade deficit issue now, and take effective action to correct the fiscal and monetary policies pursued by the Government, which have caused the rise in the dollar.

Why can we not be as aggressive as other nations are in promoting exports and doing a better job of negotiating protection for our most critical industries, and the jobs for older Americans.

The issues of the trade deficit, the issues of quota systems for imports, of higher tariffs, have almost never been raised as an aging issue.

I put to this committee, the notion that they need to be, that without an examination of those fiscal export/import policies, we are guaranteeing continued displacement of middle-aged and older workers, and new older people in poverty.

Here, in mid-1985, with evidence showing current and future deterioration of these conditions, older Americans in labor force have turned to Congress for some help.

What has been our response? Let me touch briefly on some of the current circumstances. And, you heard the broad trends reflected in very human terms in what Mr. Pomponio described. National trends, I suggest to you, are an accumulation of individual circumstances, made significant by the vast numbers of people affected by them.

In the JTPA Program, the Jobs Training and Partnership Act, in spite of the good will of the Congress, in setting aside 3 percent for workers 55 and above, the response to the mature workers is minimal.

And, indeed, the 3-percent set-aside is minimal. It seems that it is affecting some of the older people involved in these difficulties, but it is very hard to get clear data because of the way JTPA is operating, and it is a real question as to how Congress can really exercise any kind of oversight as well.

It would appear, therefore, that there are 3 to 5 percent of the title II JTPA funds directed to the needs of older people, 55. And, perhaps 7 to 9 percent involved for those over the age of 45. Most of the services as you just heard, are services of job search, counseling assistance. There is very little involved in on-the-job training, specific skills enhancement of the kind needed, by workers such as those represented by the previous testifier.

Even more important, if the Congress believes that a 3 percent set-aside would prime the pump and marshal additional JTPA resources, it ain't working. It was an overly optimistic expectation.

In practice, many of the States simply allocate the small pot of 3 percent set-aside by formula for all of the SDA's, or in some cases to area agencies on aging.

We are aware of little or not targeting of any of these funds or the allocation of additional JTPA funds, for the purpose of building older worker projects in sufficient size and economies of scale.

But, the main point is that a set-aside for older workers at the 3 percent level must be described as absurd. If the purpose of JTPA is to serve those most in need, then older and mature workers, especially those above 45, should have at least a 20 percent set-aside, alongside the target of 40 percent for youth; 20 percent is a minimum proportion of the long-term unemployed in any labor market, older people over the age of 45.

And, many studies indicate that in those communities most hard hit, it is more than half the unemployed.

A specific recommendation for this committee, therefore, is to increase that set-aside to at least 20 percent.

Despite the minimum efforts of JTPA to serve the needs of older workers, it remains important that even these modest resources be more effectively coordinated with such other employment programs, especially those aimed at older workers.

Mr. BONKER. Mr. Ossofsky, I am following your statement, and, from this point on, you are making reference to other Federal programs.

Mr. OSSOFSKY. The title V program in particular, which needs to be coordinated, then, let me just say that we recommend the doubling of the title V program. It has proven to be an effective way of creating employment opportunities for older workers.

Second, we would urge you to undertake in conjunction with other committees, and we would be happy to cooperate. An examination of the potential implications of lowering the age for the JTPA set-aside to age 50, from 55, while keeping the title V program at least, at age 55.

There are other specific recommendations in the testimony. I realize the shortage of time. Let me finally say this, Mr. Chairman. We have for many years, in both the Federal and the State levels of the Department of Labor, and the State Employment Services, and older worker's specialist program, generated people of commitment and concern and knowledge, about the special needs of older

workers and how to place them. That program is largely nonexistent at the Federal and State levels.

Paul Mayrand, who is here today, representing the Labor Department, who administers much of the title V operation, is a good example of what can happen if there are people with commitment and concern about the older worker assigned to this task.

And, I would urge that one of the other things this committee could do on behalf of the middle-aged and older worker is to restructure the older worker specialist at the federal level. And mandate standards of care, standards of coordination, even though States operate these programs. And mandate the coordination of the middle-aged and older worker emphasis at the Federal and State level, so that we finally get some kind of a bang for the buck that is invested in the program.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Ossofsky follows:]

PREPARED STATEMENT OF JACK OSSOFSKY, EXECUTIVE DIRECTOR, NATIONAL COUNCIL ON THE AGING, WASHINGTON, DC

I want to thank this Committee and the Chair for the opportunity to testify at this hearing.

You are already familiar with the situation of many mature workers who are experiencing continued problems within our slowing economy. You have also heard today an analysis by the Bureau of Labor Statistics on the impact of employment dislocation on the older workforce. I intend not to repeat too much of those findings and I will try to recast them from a non-governmental point of view.

I will draw today upon the National Council on the Aging's three decade engagement with the employment and training needs of older Americans. As you may know, the Council was instrumental in designing amendments to the original Manpower Act, the Concentrated Employment and Training Act and other Federal employment legislation to render them more responsive to the needs of mature and older workers. We conducted some of the early experimental projects under the Economic Opportunity Act which resulted in the design of the Senior Community Service Employment Program in which we participate as a national contractor serving more than eight thousand enrollees annually.

We have conducted or sponsored numerous studies related to the employment needs of older persons, the problems that they face as a consequence of age discrimination and the relationship of changing physical capacity to continued employment and productivity.

And when I look back over the past thirty years, and especially the past five to ten years, I am sorry to tell this Committee that I do not see on the employment front as bright a picture as we might see in health services, retirement income improvements, longevity and the growth of community services directed to the needs of America's older persons.

Instead our analysis shows a deteriorating employment picture and a withdrawal of adequate resources and effective responses to the mounting problems of older workers, by the Federal Government, including the Congress, and by the private market.

There is occurring now a convergence of economic events which may grow to disastrous proportions if effective and prompt interventions are not initiated by both the public sector and American business.

And what are the elements of such a disaster which we may be facing and which millions of mature and older workers can personally attest to?

The very first thing that this committee, the Congress and the Administration must do is to understand that the continuing trade deficit and the consequent massive and growing loss of American jobs is an older worker problem and could become a massive older persons' poverty over the next two decades.

BLS data, already discussed at this hearing, shows startling negative economic impacts on mature workers over the past five years all out of proportion to their numbers in the workforce.

In the study by BLS on dislocated workers published in June, about 17% of the workers who lost their jobs covered in the study were 55 years of age or older and

38% were over the age of 45. That, Mr. Chairman, means that more than 4 in 10 were over 40, the age of "older workers" as defined in the Age Discrimination in Employment Act.

What is even more troubling is the finding by BLS of high concentrations of such older workers in plant closing situations. While 49% of all of the 5.1 million displaced workers studied lost their jobs in plant closing or moving situations, 58% of workers over 55 and 71% of workers 65 and above lost their jobs in plant closedowns or moves. In short, the older the displaced worker, the more likely he will lose his job in a plant or company permanent closing rather than through shorter-term slack periods of work.

Just last month, BLS updated its plant closing information and reported the permanent loss of more than 8 million manufacturing jobs since 1979. We think that an examination of the data will show that of these 8 million lost jobs, more than a third, or 3 million jobs, were held by workers 45 years of age or older.

Now that, Mr. Chairman, amounts to a major disaster for these persons as individuals and for our economy as a whole. I believe that it describes a massive degree of unresponsiveness by the Federal Government, the States and by the private market.

Let me explain why.

The BLS dislocated worker study shows that the older you are when you lose your job the longer you will be unemployed or the more likely you will become completely discouraged and drop out of the labor force. You then become a member of the hidden discouraged unemployed that the data does not account for. Overall, there are more than 1.2 million such "discouraged" workers and probably more than half are 45 or older.

While 70 per cent of younger dislocated workers in the group studied found jobs by early 1984, only 40 per cent of the 55 year olds had found jobs and only 21 percent of the 65 year olds and above found jobs. Even more troubling is the finding that 27% of even the relatively young 55 to 64 year old dislocated workers withdrew from the labor force and fully 67% of the 65 plus group withdrew from active work search. These people are lost to the economy.

An earlier study, cited by the Upjohn Institute's publication, "The Plant Closure Policy Dilemma" showed that displaced factory workers earnings were 39% lower in the year after displacement than in the last year of employment. The UpJohn study also showed that the earnings of displaced workers under forty were higher than the earnings of displaced workers over 40 in the year following the start of unemployment. This reflects longer periods of unemployment for the 40 plus group as a result of the continuing effects of age discrimination in finding new and adequate jobs.

Mr. Chairman, what happens if, by chance, you are a 57 year old semi-skilled woman who has lost her job in a shirt factory in Pennsylvania as a result of the importation of cheaper shirts.

Incidentally, I am referring to a real situation which has just occurred in central Pennsylvania in which 1,000 shirt manufacturing jobs in the Arrow Company have been lost to cheap imports within the past two months.

This worker will have to convert her health insurance within four months and pay in excess of $1000 a year in premiums for coverage far more limited than her group plan. But this worker is not alone. Just last week, the Employee Benefit Research Institute reported that more than 33 million Americans have no health insurance coverage. As far as we can tell, the efforts to provide some Federal protection for these workers is dead in the water.

She will apply for, and probably get, unemployment benefits. But, if the pattern holds true, she will run out of unemployment benefits and find herself among the 70% of the 8.5 million unemployed and 90% of the 1.3 million long-term unemployment who receive no unemployment benefits and who must subsist on savings, welfare or the sale of possessions. As you know, Mr. Chairman, the Congress just recently let lapse the Federal extended unemployment benefits program.

Despite the pension program in her shop, she may not have yet been vested. But even if she had vested, she will not be provided early benefits under the Arrow plan and will have to wait five or more years for reduced benefits unless she becomes disabled before age 60.

Unless she gets regular employment, and at a level near her former pay, she will probably qualify for lower social security benefits than she might have expected.

It is also likely that she may experience a higher incidence of health problems including alcoholism, stroke and heart disease—all related to the stress of lost employment according to studies published by John Hopkins University and others.

In short, somewhere around 1990 we may find this woman, and many like here in her community, applying for either SSI benefits or early Social Security benefits at near minimum levels. She may need, if not quality for, Medicaid assistance. She will probably not have many assests and may have been forced to sell her home at a reduced price, a decision that many mature workers in depressed industrial communities face during periods of mass layoffs.

This, Mr. Chairman is the profile of the older poor of the 1990's and the 21st century. It is the kind of profile we found in the 1950's and 60's and it served as the justification for many programs that NCOA and this Comnmittee helped to generate and continue to support. At least we now have SSI if this worker may need it when she turns 65. Despite a decline in funding and scope of services, we still have Medicaid and Medicare and, if we can hold back the budget cut tide, we will still have a healthy Social Security retirement system to provide benefits in the next 100 years, even if the value of those payments have eroded and even if the minimum benefits are far too low.

But, my question to this Commmittee and to Administration is this- why do we have to sit back and assume that we can do nothing to assist our mature unemployed Pennyslvania garment worker right now? We should not wait until she and perhaps millions of here cohorts reach the ages of entitlements for one kind or another of welfare or retirement income support.

Why is it that we cannot confront the trade deficit issue now and take effective action to correct the fiscal and monetary policies pursued by the government which have caused the rise in the dollar? Why can we not be as aggressive as other nations in promoting exports and why can't we do better job of negotiating some protection for our most critical industries and the jobs of older Americans?

Mr. Chairman, I hope that you and this Committee can see the trade deficit issue as a current and future aging issue and join your colleagues in the Congress and in the Administration and in American business and labor to help solve the trade problem because it is increasingly and directly affecting the security of all older Americans. The consequences of doing little or nothing for these older workers today, and the millions of other older workers looking for work, can be cripping for the entire economy now and the future health of Social Security and the elderly service sector.

In the near future, the states which have experienced the greatest job dislocations of the past 10 years will be the sites of increased pressures on SSI payments, Medicaid, assisted housing and many other income supports and services needed by dependent older persons.

I have not even tried to portray the impact of these events on the adult children of such workers who themselves are, facing the peak demand years of family life in terms of the costs of child rearing, education, home payments and their own attempt to save for their own later years.

So, here we are, Mr. Chairman, in mid-year 1985, with evidence showing major current and future deterioration of the conditions of older Americans in the labor market. The continued trade and technological deficits faced by American business promises an acceleration of the trends I have pointed out here. This will only add to the wider existing situation of millions of mature Americans who desperately seek the opportunity and benefits of employment if only they had some modest assistance to get and hold decent jobs.

THE CURRENT RESPONSE

Unfortunately, I must report to this Committee that neither the Congress nor the Administration shows much evidence of concern for this set of events. In fact, we belive that the situation for older workers is worsening.

Let's look at some of the facts.

JOB TRAINING PARTNERSHIP ACT

Despite the good will of the Congress in establishing a 3% setaside for workers 55 and above in Title II, the impact of JTPA on mature and older workers seems minimal. I say "seems" because we find it difficult to get clear and current data on the operation of JTPA and I often wonder how the Congress can pursue effective oversight of JTPA in the face of the data deficiencies of the JTPA system. In any event, it appears that not more than 3 to 5% of Title II of JTPA is directed toward the needs of workers over the age of 55 and perhaps 7 to 9% are 45 plus. Most of these services appear to be of the "job search assistance" sort of short term counseling. The dislocated workers of whom we are testifying tend to have marginal or industry-specific skills and need the investment of substantial classroom training in the

skills of the 1980's to be truly competitive. We would hope to see far more specific skill training for older workers through JTPA and certainly something more than minimal instruction on filling out a resume.

I would also point out to this Committee that if the Congress believed that a 3% setaside would prime the pump and marshal additional JTPA resources for older workers, that expectation was overoptimistic. In fact, the practice of many states to simply allocate the small pot of "3%" JTPA money, by formula, to all of the SDA's or to each of the area agencies on aging simply dilutes these funds to a level of minimal impact on local labor markets. We are aware of little or no targetting of these funds or the allocation of additional local JTPA funds for the purpose of building these older worker projects to sufficient size and economies of scale.

But the main point is that a setaside for older workers at the 3% level is somewhat absurd. If the purpose of the JTPA program is to serve those "most in need", then older and mature workers, especially those above 45, should have at least a 20% setaside along side the 40% youth target figure.

20% is the minimum proportion of the longer term unemployed persons in any labor market who are above the age of 45 and many studies peg the proportion of long term unemployed persons who are 45 or above as nearly a half of the total.

Let's increase the setaside for older workers and let's peg it to a rational standard—their proportion of the long-term unemployed.

I urge a 20% setaside for older workers, as a starter. At that level, we would have the budgetary mass to help determine how state JTPA programs set their priorities and goals. We could being to field programs of sufficient size and complexity to truly affect local, and even state, labor market behavior. In short, we would begin to respond to the growing need.

COORDINATION OF JTPA WITH OTHER EMPLOYMENT PROGRAMS

Despite the minimum efforts of the JTPA system to serve the needs of older workers, it remains important that even these modest resources be well coordinated with other older worker-serving programs—especially Title V of the Older American Act.

NCOA provided JTPA training to each of our 26 sub-contractors administering our local Title V programs. We urged them to aggressively seek alliances with state and local JTPA networks. In many places our efforts have succeeded and more than half of our local Title V projects have significant to substantial involvement with JTPA. But in almost every case our projects have had to face conflicting and largely unnecessary eligibility requirements for the programs and these requirements differ from state to state.

I will not take the time of this Committee to recite the many variations on this theme of conflicting eligibilities. But the answer is at hand. This Congress should recognize that if it is going to legislate age-specific programs, like Title V and JTPA IIb, in the same employment and training arena, then these programs should have the same eligibility standards in every state of the Nation. We should be making it literally easy for these programs to cooperatively provide ranges of employment services to older workers in each community.

And I urge that the Congress establish an income eligibility standard of 125% of poverty for all such programs. One hundred twenty five percent of poverty better portrays the real level of low income for mature workers who need either Title V work experience or JTPA training services or both. The 100% of poverty JTPA standard is simply too low within this economy and has caused wide spread recruitment difficulties among JTPA projects.

I suggest that this Committee, in conjuction with the labor and education Committee, seriously explore the wisdom of lowering the target age for JTPA older worker setasides to age 50. At age 50 we can see specific and increasing job difficulties directly attributable to factor of age and age discrimination. It may be wise to provide targetted vocational assistance before age 55 instead of waiting. At the same time I believe it is prudent to retain Title V as an older worker program keep our threshold at age 55. In any event, NCOA would be pleased to assist this Committee in any further research on this important matter.

Lastly, I hope and expect that the Congress and the Department of Labor would initiate mandated joint planning requirements at the state level for the administration of Title V, JTPA Titles IIb and III, adult vocational education, Trade Adjustment Assistance and vocational rehabilitation. We should have an annual or biannual state older worker employment plan and program that rationally weaves these statutes into a pattern of maximum, flexible services to older workers of all income levels. I would leave the administrative planning responsibility to the states

but I would certainly require Federal standards of planning and integrated administration. There are none now.

Mr. Chairman, we have given anarchy its opportunity over the recent past. Now, lets give reasonable planning and standards of administration a fair chance, too.

TRADE ADJUSTMENT ASSISTANCE

I would hope that the Congress and the Administration can agree to not only save this program but also to expand it to meet the dimension of need of American workers and companies suffering as a consequence of trade deficits and policies. It needs far more money and closer coordination with other older worker employment and training resources as I have suggested. Given our analysis here today, I trust that this Committee can now see TAA as an older worker program at its core. And I am happy to note that Secretary Brock has accelerated approval of some TAA projects. We need more of that kind of leadership in this Administration.

APPROPRIATE DEPARTMENT OF LABOR STAFFING

The past several years have seen the decimation of specialized older worker staffs of the Federal Department of Labor and the older worker specialists working in state job service offices. I ask this Committee and the Congress, as well as Secretary Brock, to restore a level of reasonable staffing at both the Federal and state levels for these specialists. We need them for three reasons. In the first instance we need specialized technique to address the training and employment needs of older workers. There are major differentials in how you serve the vocational needs of 19 year olds and how you work with person in their fifties and sixties. Secondly, with such specialized staffs we can expect greater accountability from the Department and the states. Right now, it is too easy to beg off by claiming inadequate staffing when policy and program questions are raised.

Lastly, we need unabashed advocates again in the Department and the states in behalf of older workers. We need people to counter the strong tide of the market place that continues to provide fewer job opportunities to mature people.

LACK OF AWARENESS OF THE PROBLEM

Both this Committee and the Senate Committee on Aging have maintained an active interest in the employment needs of older Americans. However, I believe that interest should be expanded to include the statutory changes which I have suggested and to factor in the enormous transformation of American jobs which we are seeing in this decade and which we can expect in the decades to come. I suggest that this Committee, together with the House Labor and Education Committee, and the Joint Economic Committee, launch a study on the impact of these changes, including trade development, on current and future older workers. I believe that it is critical that this society rededicate itself to preventive measures so that job dislocation in the 80's for mature workers does not define a-half-lifetime of insecurity and poverty.

We need your help to continue to frame the problem and chart the solutions. We need the knowledgible support of the American people who sadly lack the facts.

OTHER STEPS

There are other measures that this Committee and the Congress should address.

Let's pass the plant closing notification bill now pending in the House. Early notice of shutdowns will assist older workers most of all.

Let's reconsider measures of Federal assistance to unemployed workers to continue coverage of health insurance for two or more years during unemployment. I believe that such assistance is simply a Federal investment in the health maintenance needs of mature persons and will ease the burdens on Medicare in the future.

Let's make sure that EEOC has sufficient research, public education and enforcement budgets to meet the needs of our maturing workforce. As you know, ADEA is the growth industry in EEOC complaints and we believe that that agency sorely needs more staff for investigations and complaint resolution. They also need more funds to pursue research into the roots of occupational age discrimination and the technical means for companies to change their employment policies to their own benefit and the benefit of current and future employees. We are for vigorous enforcement of the ADEA requirements. But we are equally for the provision of technical assistance and public information by EEOC and other Federal agencies to assist companies to conform to law.

The Congress, within the next budget year, should double the scope of the senior community service employment program, Title V. Given the situation being reviewed by this Committee today, this modest investment of an additional $326 million could be instrumental in saving a far greater amount of Federal outlays in behalf of otherwise dependent and impaired older persons in the near future. With all of its programmatic limitations, Title V remains the most effective and efficient employment initiative for older persons being conducted in the Nation today. A doubling of the budget would allow the program to serve double the eligible population—from one in a hundred to two in a hundred!

I believe that the Congress should mandate an annual project of the National Commission for Employment Policy to evaluate the services provided by USES job services; private employment services; publicly supported vocational programs, such as JTPA, vocational and adult education, and vocational rehabilitation to older workers. It should also report underrepresentation of older workers. The information should be publicized in an annual "National Age-Audit of Vocational Resources" report to the Congress and President.

Mr. Chairman, I believe that we are at the threshold of major new challenges to the capacity of our economic system to preserve our jobs and world economic leadership. We face change and we face stress.

All we in NCOA ask is that the price of change not be borne unequally by America's mature workforce. We believe that the data indicate that disproportionate shares of the prices of conversion from manufacturing to services are being paid by those 57-year-old unemployed garment workers and their cohorts.

Mr. Chairman, you know and we know that that is unfair and unnecessary. This society has both the genius and the resources to extend the worklives of Americans in occupations of dignity and reward.

But, to intervene in this complex situation will take additional financial and technical resources. We already have a national policy on extended worklife. It is embodied in the recent amendments to the Social Security Act that will push off to age 67 entitlement to full benefits early in the 21st century. But, Mr. Chairman, this is exclusively a "stick" policy, which will punish millions of Americans who will still need to apply for early Social Security benefits at age 62 or older and at greater penalty under the amendments.

It is time that this Congress and the Administration provide some carrots of incentives to an extended worklife. Let's create incentives of effective training services, decent income, pension protections including portability, stronger enforcement of age discrimination in employment laws. Let's build into the American job system far greater flexibility so that we can all pursue three and four careers without penalties to our pensions, health benefits and pay levels. Let's recast our vocational rehabilitation system so that it becomes a popular and available community resource to modify job settings to accommodate the normal impairments of extended work life.

In short, it is within our powers to cause a convergence of hope and success for older workers and not the design for disaster that I have sketched.

We in NCOA stand ready to assist you. We urge you to act now.

Mr. BONKER. Thank you, sir, and we appreciate not only your testimony, but your specific recommendations which will be helpful to this select committee.

Mr. Ossofsky, has made a very prominate reference to the trade deficit, and the ongoing impact that has on our domestic industries and thus, the jobs and displaced workers. Mr. Regula and I have been discussing this issue, and the potential impact it has in our respective areas.

The fact is, that since 1980, the trade deficit has increased 500 percent, and, as most of you know, it is now roughly $120 billion, and projected to grow to over $150 billion this year. Obviously, this comes as a result of fewer exports and more imports. However, you size up the deficit, it certainly has had disastrous effects on our domestic economy.

Indeed, Secretary Baldrige is expected to release a report within the next day or two, that Under Secretary Olmer has prepared on

the enormous impacts on our domestic industries that come as a result of this trade imbalance.

Mr.. Ziegler, your department compiles all these statistics, and you have given the committee the benefit of all the work that you have done, what is happening currently, what has happened in the last few years. You have the breakdown, in which you have added the various categories, and so forth. I am wondering, if you have done any work on future projections.

In other words, we know what has happened over the course of the past 5 years, with this phenomenal increase in the trade deficit. We also of know that every billion dollars in this deficit represents about 25,000 jobs lost in this country.

If current trends are maintained, what are we looking at in the long-term over the next 5 years, in terms of job displacement?

Mr. ZIEGLER. The committee had asked a similar question earlier, not so much in terms of projections, because, obviously, a lot of assumptions would have to be made in these projections, but in terms of the current situation with respect to the loss of 100,000 jobs, and its effect on the GNP.

I give a lot of thought to that question, and in the final analysis decided that dealing with the question of impact of job loss on GNP, even in the current setting aside from projections is difficult, and certainly not appropriate for the Bureau of Labor Statistics, to deal with.

To really make reasonable estimates, one would have to make certain assumptions about the productivity levels, the hours of work, the participation rate, and so forth.

So, what I would suggest then, Mr. Chairman, is I would refer this committee to an excerpt from the 1985 Economic Report of the President, which essentially deals with the issue of growth and employment, and does indeed make explicit assumptions and projections. It is on page 43. It is table 1-3.

Rather than making any guesstimates or various assumptions, which I do not think the BLS can do, I would refer the committee to this particular report, and, indeed, you can choose whatever assumptions you want.

Mr. BONKER. Mr. Ziegler, I hear what you are saying but I must respond that those kinds of projections that are based on economic assumptions, I think, sometimes are faulty assumptions. In my judgment, whether it comes from the President or the CBO, I was just thinking about Mr. Olmer's study, the actual impact on lost jobs comes from the growing trade imbalance. And, if those trends continue, what would the potential job displacement be. I am asking this question rhetorically. Nonetheless, you have given me a response, and I thank you.

Mr. SANDELL. Mr. Chairman, if I can interject here. The National Commission for Employment Policy, is currently sponsoring a study on the effect of the internationalization of the economy on the labor market. And, we will be happy to share the results of that study with this committee when it is available. We recently just started funding the study, so it will be 6 months to a year before the results are in.

Mr. BONKER. Thank you.

Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman. I have many questions, but I will limit it to a couple.

Mr. Ossofsky.

Mr. OSSOFSKY. Yes, sir.

Mr. REGULA. Some State and area agencies on aging, have urged that all title V dollars be given directly to the State and area agencies, in order to improve efficiency and coordination.

And, you mentioned title V funds, in fact, you urged the doubling of these moneys. What do you think about making this direct appropriation to the States and local area agencies?

Mr. OSSOFSKY. Well, you may be interested to know, sir, that in the State of Arizona, we, as a national contractor, have been asked to administer their program in cooperation with them, and the same is true in the State of New Jersey. So, there is no unanimity on that issue.

We find that some States and some area agencies run their programs well. But, the most telling thing is to quote someone I rarely quote, and that is "if it ain't broken, don't fix it."

The national contractors have shown over many years, a capacity to coordinate with the area agencies to create many more permanent employment spots after exposure to the Title V Program, and the capacity to recruit where many of the State agencies are not able to recruit among the poorest and most needy.

Now, many States do a good job. I do not want to categorize all the State agencies as ineffective in this regard. But, there seems to me to be no reason other than a search for new funding, when the Older Americans Act has been shrinking in resources for many of the area agencies and State units.

We, in our organization, administer some 8,000 to 9,000 jobs a year at the current rate. We seem to have no problems with the State. We have no difficulties in coordinating with the area agencies, and we are recruiting and placing workers to the extent that we have slots for them.

It is understandable that in a time of constraint of resources, those who work in this field become competitive for the search of dollars. But, let us see whether or not the results require that change. And, I can see nothing in the outcomes of the program that would lead me to think that it can be done more effectively, nor that the national contractors who have invested a great deal of effort, and succeeded in this program, should be removed from it.

Mr. REGULA. How many States does the national council work in?

Mr. OSSOFSKY. We are in 23 States now. We work with some 65 subcontracting agencies.

Mr. REGULA. Now, as I understand it, you get about $28 million from title V for the national council. Do you get any State funding in addition to the $28 million?

Mr. OSSOFSKY. Well, that includes the funds from the State of Arizona, that they asked the Department of Labor to allocate to us directly, and the same is true, in the State of New Jersey.

Mr. REGULA. Thank you.

Dr. Sandell, you discussed a lot of statistics that outline the problem. I would be interested in some of the solutions, what you would suggest by way of solutions as a result of all of your studies, and do

you have any views of the efficacy of the Job Training Partnership Act, trade and adjustment assistance, types of jobs, tax credits, title V, and some of the other Federal programs.

I mean, statistics are fine, but we have got to deal in the real world.

Mr. SANDELL. The Commission has made certain recommendations in this area. First of all, with respect to the Job Training Partnership Act, it should be remembered that this is a decentralized program. So, in some parts of the country, the programs may be working well, while in other parts, they may be working less well.

As far as older workers are concerned, the Commission believes that older workers should have equitable access to not only the 3 percent set-aside, but the regular parts of the Job Training Partnership Act, title II for disadvantaged workers, and the title III, which is for displaced workers.

I think it is important that older workers who lose their jobs get access to both training and placement through the Job Training Partnership Act.

Mr. REGULA. Are you suggesting that they do not have equal access to JTPA?

Mr. SANDELL. No, I am not. The JTPA Program is new, and as far as I know, there have not been any rigorous statistical studies about the question of their access.

Older workers were less likely to participate under the CETA Program, than younger workers. Part of that may be due to reasons other than age, like the fact that older workers who were eligible, were more likely to have health problems than some younger workers.

But, it is important to make sure that they do have equitable access.

Mr. OSSOFSKY. Mr. Chairman, may I respond to that question. I would hate to perpetuate the myth of disability among middle-aged and older workers. Our real problem is that there is very little outreach by the JTPA Programs to the middle-aged and older person. They may be there if they are reached by the worker. The problem is one of reaching people who are discouraged, who have given up hope for finding a job. And, the problem is one of accessing them and then, providing them with the kind of service that will help them in the future stages of the employment training.

That is the difficulty. We also find considerable difficulties in the eligibility standards in JTPA. The 100 percent of poverty standards, present significant obstacles for middle aged workers who already have a family, who have a variety of other bills to pay, and a household to take care of. And, we are recommending in our testimony, therefore, 125 percent of poverty as the standard of eligibility for JTPA for older workers, which would conform to the title V standard as well.

In the testimony, we make a number of recommendations of a specific sort on a variety of programs. Let me add one other that we omitted, by accident.

And, that is, that we do support the Rinaldo/Roybal bill, to provide for the targeted jobs tax program, tax credit for employers hiring middle-aged and older workers. We believe inducements

need to be provided to help this segment of the population, just as such inducements are being provided to create more employment opportunities for young people.

We are not seeking a competition between the young and old, but we think that the problems are different and need to be handled with equal fervor.

Mr. BONKER. Mr. Saxton?

Mr. SAXTON. I would like to ask Mr. Ziegler and Mr. Mayrand, if they would respond to a couple of questions relative to some of the administration's positions.

I might just say, first, that it would appear that the administration has taken the position that the best way to help older displaced workers is to provide for a fast growing expanding economy, and, in that way, provide for job opportunities for not only displaced older workers, but for displaced younger workers as well, and to treat this problem in very much the same way that we are treating the unemployment, hard to find job situation, in the whole spectrum of unemployed individuals, both male and female, both young and old.

And, I guess, first, I am curious to know whether or not there are any statistics in the administration which would show whether or not displaced older workers are more difficult to place, at least from a statistical point of view, than are younger workers.

And, I guess, to follow that, I assume the answer will be that there is some more difficulty.

Is there any way to determine what the cost might be, in terms of people who end up on some kind of public assistance of some kind?

Mr. ZIEGLER. Well, our figures indicate that, as was pointed out, the incidence of reemployment among older displaced workers, 55 years and older, is lower. It is roughly about 40 percent.

But, as to the situation with respect to placement difficulties, I have no idea. I think it may be more appropriate for the ETA representative to respond.

As far as costs are concerned, it really would depend on the jobs, the occupations, that sort of stuff. There is not enough data in this particular survey. The sample is not large enough to be able to get into the type of questions that you raise in terms of the actual cost of lost earnings. We more or less can only deal in relatively aggregate terms. But, I will defer to Mr. Mayrand.

Mr. SAXTON. If I may, just to probe a little bit further into the administration's position. Would you say that it is the administration's position to treat this problem as a part of the larger unemployment problem, and to try and provide a solution to it by making the economy grow to various economic incentives, or would you say that it was the administration's position to continue to provide programs which are aimed more specifically, at older Americans and their unemployment replacement, retraining problems?

Mr. ZIEGLER. With all dues respect, Congressman, the Bureau of Labor Statistics is really not involved in the policy decisions of the administration. You know, our mission is to collect statistics and report them, and so I really cannot respond to the question.

Mr. SAXTON. Let me shift the questioning then, to Mr. Mayrand then. Let me point out that while I support many, many of the eco-

nomic job placement programs that have taken place under this administration, this year it appears that the administration has proposed to eliminate retraining and relocation of job search assistance to dislocated workers, which, I believe, is pursuant to the Trade Act of 1974, which is designed to assist workers hurt by imports.

The administration has proposed the targeted jobs cut credit to expire, and to permit it to expire on December 31, 1985. This includes aid, obviously, to many SSI recipients and veterans, many of whom are older Americans.

The administration has also proposed a fiscal year 1986 reduction in title III, dislocated worker assistance program under the Job Training Partnership Act. And, the administration has proposed cuts of over $40 million in employment service funds, which assist state job service and placement agencies. And, of course, many of those funds and programs are geared for older Americans.

So, I guess the question that I am trying to get at is that while I have been part of the administration's effort and have voted for many of those programs that have been geared to help upgrade our economy, and to provide more jobs for everyone, it seems that on the onehand, while we are trying to make economic life in this country and life generally better for everyone, by making the economy grow, it seems that some of the programs that are aimed, or many of the programs that are aimed toward the specific group of individuals who seem to be harder to place in jobs, are proposed to be cut.

I would just like the administration's response to that.

Mr. MAYRAND. Congressman, I am not too sure I am the adequate spokesperson for the administration. And, I think as the chairman indicated, my colleague and I are here more to answer technical questions relating to JTPA, the Older American's Act.

I believe generally, the administration's position is that certain of the programs we currently have, can perhaps, be done away with, if that is the term to use, and taken up, as it were, the slack by the mainline JTPA program.

If I might try to address the other part of your question; is generally, are older workers more difficult to place than younger workers, the answer is yes. And, very briefly, for a combination of reasons.

Older workers, as was indicated, tend to have made higher wages, and perhaps, their expectations are too high in relation to the market they are currently operating in.

In some cases, we find as well on the employer side. The employer may feel that if one hires an older worker, or an experienced worker, they first have to untrain that person, which has an economic cost, and then, retrain that person.

So, they would prefer taking an inexperienced younger person. Also, we find in some cases, that older workers may make demands that are slightly unrealistic in the job market. Particularly, as an example, on title V.

If one were to try to place some of the older workers, they may say, well, yes, we would like to have a job in the private sector, but I want it only part-time, which is difficult to do. I want a job that is near the bus stop. I want a job that is only Mondays and Fridays.

So, there are demands sometimes made by the applicant, that are simply unrealistic. We cannot blame employers for that. But, in the main, it is more difficult to place older workers. Age discrimination is probably the more common of the barriers.

Mr. SAXTON. Thank you.

Mr. BONKER. Mr. Saxton, we have to move on. We have Mr. Ridge, who was kind enough to join us for today's hearing.

Mr. Ridge, I can barely see you, do you have any questions.

Mr. RIDGE. Thank you, I do have a few questions. I want to follow up with your response to my colleague, Congressman Saxton.

One of the reasons that the displaced older worker has such a lower incidence of reemployment, is that they are looking for either higher wages, or they want part-time work. And, from one who has had some personal experience with a father who lost his job, you are telling me that people between 45 and 55, who are raising families, are not willing to take lower wages, and they are looking for part-time work, as an explanation for a lower incidence.

And, I find that pretty tough to believe, and just wondered if you could share with me some statistical information that might confirm that thesis.

Mr. MAYRAND. Well, I guess what we are talking about some general problems, some general barriers, and that is what I was trying to respond to.

I think we may also have a slight definitional problem. Are we talking about age cohorts, 45 and above, or, are we talking about an age cohort of 55 and above?

There is a significant difference in terms of trying to find employment, depending upon the age cohort. People 45, may perhaps——

Mr. RIDGE. The point is, is that in response to some earlier questions, you said you were not prepared to speak for the administration and advance any theories. And, yet, in response to that particular inquiry, were very well-prepared to advance a theory.

My question is whether or not you have some data that may break those demographic groups down, 45 to 55, and 55 to 65, to support the thesis that you just presented in response to Mr. Saxton's question.

Mr. MAYRAND. We would not have data that would suggest the relative degree of difficulty in placing that age.

Mr. SAXTON. Gentlemen, if we were to submit a question to the Department in writing, relative to the question I asked, would it be possible to get an answer as to the position of the administration on those items that I mentioned in my question?

Mr. MAYRAND. Oh, I am sure the Department will try to be as responsive as it possibly can, Congressman.

Mr. SAXTON. Should we direct the question to you?

Mr. MAYRAND. I would suggest it be directed to, perhaps, the Office of Legislative Affairs. They will take care of it.

Mr. SAXTON. Thank you.

Mr. RIDGE. Two more quick questions. I appreciate our time constraints.

Again, sir, you or Mr. Ziegler, do you find that there is a regional impact to the displaced worker, and does it end up being in the Midwest, Northeast, more than anyplace else?

Mr. ZIEGLER. Yes. As a matter of fact, our studies did show that, I guess, what you would call the rust belt has a disproportionate share, when we broke down the displaced workers' relative proportions. There is no question, I think, it was the region around the Great Lakes, which had a higher incidence, of worker displacement and geographically, to those industries that have not really recovered fully from the recession.

Mr. RIDGE. And, that compounds the problem. You know, if you are a displaced worker in an area of 3 or 4 percent umemployment, obviously, there is some turnover and you can find work.

But, if you come from a district such as northwestern Pennsylvania, you have got counties 10 and 12 and 18 percent with unemployment, with everybody in every age group looking, the chances of reemployment are very minimal.

So, your statistics do bear out the thesis that Midwest, Northeast, are particularly hard hit.

A final question if I might. Mr. Ossofsky, in your presentation you talked about something that is very important to all displaced workers, regardless of age, and I am wondering if your organization had taken a look at some legislation that changes a state trigger to a substate trigger, so that unemployment compensation, supplemental benefits and extended benefits, could be made available to communities and our working men and women in these pockets where, while there may be a national recovery, it certainly is not spread all over the country.

If your organization has taken a look at that legislation.

Mr. OSSOFSKY. We have not, I am sorry to say, but would be very happy to do so and to respond to you and to the members of the committee on that.

Part of the difficulty with the issues that Mr. Saxton raised, is that while we are told that a rising tide lifts all ships, an awful lot of them are mired in the bottom, and cannot get out.

And, the special need for special programs for middle aged and older workers, cannot be undone on the notion that if there is progress, everybody will benefit. It simply is not so.

In Canada, for example, for the last 20 years, they have provided in addition to counseling, resources for an unemployed worker of long duration, to be able to look at a job in another community. And, paid for the travel and the counseling, so the family could ultimately make that move if necessary. We have nothing of the sort.

We simply counsel people to go elsewhere. We have been told to vote with our feet, and and to take our unemployment with our feet to other communities.

Well, if you do not have the money to do so, it is even hard to walk to that other area. And, it seems to me that we need a consertive program which deals not only with the segments of unemployment you suggest in the community, but with a much more comprehensive program to enable someone to go from one community to another with some security, some resources, and some counseling.

Mr. RIDGE. Thank you very much. Thank you, Mr. Chairman.

Mr. BONKER. Thank you, Mr. Ridge.

The committee record will stay open for 2 weeks in order to allow for other members to submit their statements, and to also allow members to present questions in written form, to the witnesses who have testified today.

I want to take this opportunity to thank you for your time and——

Mr. Sandell seeks recognition—you have to be very quick, Mr. Sandell, we are running out the door.

Mr. SANDELL. I just want to make the point that the National Commission of Employment Policy with the support of the Department of Labor, did sponsor one study to look at the factors affecting the length of unemployment among job losers and we will provide that to the committee.

Mr. BONKER. I thank you very much.

Again, we appreciate your appearance here, and we may conduct another hearing on this subject in the fall, if we do not see our trade balance improving, and if there are even greater incidences of displacement affecting senior citizens.

So, keep your pencils sharp and those figures updated. You may be back here.

The Select Committee on Aging stands adjourned.

[Whereupon, at 4:56 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX 1

Additional material received for the record: Hon. Matthew J. Rinaldo, Ranking Minority Member, Select Committee on Aging, letter cosigned by several Members of Congress, and H.R. 1512.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 15, 1985.

Hon. CHARLES RANGEL,
Chairman, Subcommittee on Select Revenues, Committee on Ways and Means.

DEAR MR. CHAIRMAN: As original cosponsors of H.R. 1512, legislation to extend the Targeted Jobs Tax Credit (TJTC) and include as a targeted group for such purposes economically disadvantaged individuals over the age of 55, we urge you to act favorably on this legislation.

Congress first passed the targeted jobs tax credit in 1978 to assist hard-to-employ individuals in finding employment in the private for-profit sector. The credit is available for taxable employers who hire individuals from any of nine target groups, including "economically disadvantaged" youth, Vietnam veterans, ex-convicts, vocational rehabilitation referrals and Supplemental Security Income (SSI) recipients.

Unfortunately, the only targeted group which includes a substantial number of older individuals is SSI recipients, which, according to the Congressional Budget Office, is the least served category in the program. Moreover, to be eligible for SSI on the basis of age, one must be 65. Many mature individuals face serious obstacles to employment well before they reach age 65. Testimony before House Selected Committee on Aging hearings in the 97th and 98th Congresses revealed that older individuals suffer rampant age discrimination in obtaining and retaining jobs (the Equal Employment Opportunity Commission reports that age discrimination complaints are at record highs) and endure much longer periods of unemployment than do younger workers. Frustrated at their inability to find suitable work, many older individuals permanently withdraw from the labor force and travel down an irreversible path of economic, physical and emotional decline.

Approximately 9.2 million individuals over the age of 55 meet the TJTC definition of "economically disadvantaged"—virtually the same population eligible for assistance under Title V of the Older Americans Act and the special set-aside under the Job Training Partnership Act (JTPA). Yet, Title V in the current fiscal year will provide only 64,000 part-time jobs, serving less than one percent of those eligible. Likewise, the JTPA reaches only a small fraction of those older workers eligible for special job training and placement assistance.

Amending the TJTC to include low income older workers will demonstrate further Congressional commitment to the needs and rights of this segment of society and would implement a major recommendation of the 1981 White House Conference

on Aging. Older individuals want to remain independent, productive, taxpaying members of society. This legislation will help ensure that many more will have the opportunity to do so.

Sincerely yours,

MATTHEW J. RINALDO,
Ranking Minority Member, Select Committee on Aging.

CLAUDE PEPPER,
Chairman, Subcommittee on Health and Long-Term Care, Select Committee on Aging.

TOM TAUKE,
Ranking Minority Member, Subcommittee on Retirement Income, Select Committee on Aging.

DALE E. KILDEE,
Chairman, Subcommittee on Human Resources, Committee on Education and Labor.

EDWARD R. ROYBAL,
Chairman, Select Committee on Aging.

MARIO BIAGGI,
Chairman, Subcommittee on Human Services, Select Committee on Aging.

JAMES M. JEFFORDS,
Ranking Minority Member, Committee on Education and Labor.

MATTHEW G. MARTINEZ,
Chairman, Subcommittee on Employment Opportunities, Committee on Education and Labor.

I

99TH CONGRESS
1ST SESSION

H. R. 1512

To amend the Internal Revenue Code of 1954 to extend the targeted jobs credit to December 31, 1986, and to treat as a member of a targeted group for purposes of such credit any economically disadvantaged individual who has attained age 55.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 1985

Mr. RINALDO (for himself, Mr. ROYBAL, Mr. KILDEE, Mr. BIAGGI, Mr. JEFFORDS, Mr. MARTINEZ, Mr. TAUKE, and Mr. PEPPER) introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend the Internal Revenue Code of 1954 to extend the targeted jobs credit to December 31, 1986, and to treat as a member of a targeted group for purposes of such credit any economically disadvantaged individual who has attained age 55.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF TARGETED JOBS CREDIT THROUGH 1986.

Paragraph (3) of section 51(c) of the Internal Revenue Code of 1954 (relating to termination) is amended by striking

out "December 31, 1985" and inserting in lieu thereof "December 31, 1986".

SEC. 2. ECONOMICALLY DISADVANTAGED INDIVIDUALS WHO HAVE ATTAINED AGE 55 TREATED AS MEMBERS OF TARGETED GROUP.

(a) IN GENERAL.—Paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (relating to members of targeted group) is amended by striking out "or" at the end of subparagraph (I), by striking out the period at the end of subparagraph (J) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(K) an economically disadvantaged older individual."

(b) ECONOMICALLY DISADVANTAGED OLDER INDIVIDUAL DEFINED.—Subsection (d) of section 51 of such Code is amended by redesignating paragraphs (13) through (16) as paragraphs (14) through (17), respectively, and by inserting after paragraph (12) the following new paragraph:

"(13) ECONOMICALLY DISADVANTAGED OLDER INDIVIDUAL.—The term 'economically disadvantaged older individual' means any individual who is certified by the designated local agency as—

"(A) having attained age 55 on the hiring date, and

"(B) being a member of an economically disadvantaged family (as determined under paragraph (11))."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred with respect to individuals first beginning work for an employer after the date of the enactment of this Act in taxable years ending after such date.

○

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
Washington, DC, July 31, 1985.

Hon. EDWARD R. ROYBAL,
Chairman, Select Committee on Aging, Washington, DC.

DEAR MR. CHAIRMAN: I wish to submit the enclosed statement by the New Jersey Division on Aging for inclusion in the July 24, 1985 hearing record on Displaced Older Workers.

I am pleased that the New Jersey Division on Aging has taken a number of significant steps to improve training and employment opportunities for older individuals.

Thank you for your attention to this matter.

Sincerely yours,

MATTHEW J. RINALDO,
Ranking Minority Member.

Enclosure.

DISPLACED OLDER WORKERS: IN JEOPARDY AND OUT OF OPPORTUNITIES

(By the New Jersey Division on Aging)

New Jersey is making progress in the training and employment of older workers. In the Department of Community Affairs, Division on Aging, several programs have been developed to train and employ the older worker and to educate the business community with both the needs and the advantages of the older worker.

The Division on Aging administers the Senior Community Service Employment Program (SCSEP), funded under Title V of the Older Americans Act. This program provides part-time subsidized training to low-income persons who are 55 or older. The enrollees are monitored by Employment Resource Specialists in each county. In addition to supervising the SCSEP enrollees, the Employment Resource Specialists assist other older persons who are seeking employment. Two thousand older jobseekers have been placed in the last two years through their efforts.

The Task Force on the Older Worker, consisting of representatives from industry, was established in 1981 by the Division on Aging. This task force works to combat age discrimination and against stereotypes towards older employees, and to promote the rights and interest of these workers.

The Division developed a training package entitled, "Training Business Management in Aging Factors", which was funded by the Administration on Aging. Through a series of four workshops, nearly 100 business managers were trained in gerontology, management, benefits and legal factors. In addition, a booklet entitled, "Understanding and Managing an Aging Workforce" will be published by the Division on Aging.

The Division, in cooperation with the New York State Office for the Aging, under a grant from the Administration on Aging, provided a training program for job counselors and job developers in the Title V projects within the state, the Job Training Partnership Act (JTPA) program and the State's Employment Service. The main focus of the training was to improve the job counselors/developer's ability to evaluate the skills of older workers and train job developers/counselors in the development of "contracts" with both subsidized and non-subsidized placement sites.

The Senior Community Service Employment Program of the Division on Aging and the Job Partnership Training Act of the State Department of Labor are working together to coordinate their efforts in the training and placement of older workers.

There is need to continue, strengthen and expand these programs at the State and Federal levels.

NATIONAL ASSOCIATION OF STATE UNITS ON AGING,
Washington, DC, August 30, 1985.

Hon. EDWARD R. ROYBAL,
Chairman, Select Committee on Aging,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN ROYBAL: The National Association of State Units on Aging is pleased to provide the House Select Committee on Aging with background information on various program strategies used by States to implement the 3% set-aside program of the Job Training Partnership Act. JTPA differs from past federal employment programs in its emphasis on training for jobs, in bringing together the public and private sectors as partners and in focusing responsibility for determining

the best methods for implementing the Act on State government. One of the strengths of the 3% program is that it can be designed to take into account the unique social and economic conditions of each State, resulting in a wide variety of program models.

One area in which this diversity is clearly reflected is in the administrative struture of the program. Funds for the 3% program are generally distributed through a formula to either AAAs, SDAs or both and/or through a request for a proposal. The following examples illustrate the wide range of program models being developed to provide much needed employment services to economically disadvantaged older persons.

3 PERCENT FUNDS ALLOCATED ON FORMULA

To SDA's

In New York, eighty percent of available JTPA 3% Older Worker Program funds are allocated to the Service Delivery Areas. In order to access these funds, each SDA must meet the following requirements:

The local job training plan (78%) must be age-integrated; it must contain provisions to provide a minimal base level of services to older individuals;

The plan must also include a cooperative agreement between the SDA and the local aging agency. This agreement establishes a mechanism to assure coordinated services for older workers, mutual exchange of program plans (JTPA and Title V) and identification of referral of applications between programs.

In addition, the Governor's Coordination and Special Services Plan (GCSSP) establishes a role for the State Office for the Aging in the administrtion of the JTPA 3% Older Worker Program. With the State Department of Labor, SOFA shares responsibility for technical assistance, development of demographic information, program management, auditing, monitoring and operational direction. In addition, SOFA utilizes 15% of available funds to develop model programs and statewide initiatives.

To AAAs

In Virginia, the Virginia Department on Aging administers the 3 percent program through the State's Area Agencies on Aging. Since the Department through the Area Agencies also administers the Title V programs it is possible to place an older worker in a program most suited to his or her needs. The Virginia Area Agencies and the SDAs enter into memorandums of understanding to do program development and joint planning.

To SDAs and AAAs

In Pennsylvania, seventy percent of the 3 percent set-aside is allocated to the SDAs by the Department of Labor and Industry while thirty percent is allocated to the AAAs by the Department on Aging. In their job training plans, the SDAs must describe in detail the manner by which JTPA funds will be utilized to assist older workers; in addition, they must indicate what coordinative mechanisms have been established to ensure that services are provided to this client group. SDAs are also required to enter into cooperative agreements with the AAAs in their area. These agreements should outline the coordination of the use of each agency's portion of the 3 percent set-aside.

The Area Agencies: (1) perform client employability assessment and screening; (2) develop a skills bank portfolio on the client's abilities, experiences, hobbies, health and economic status, residence, and geographic area where work is desired; (3) develop a jobs bank of employers, types of jobs available, and skills required. The administering agency in the SDA conducts any training which is needed.

3 PERCENT FUNDS ALLOCATED THROUGH A REQUEST FOR PROPOSAL

In Arkansas, the 3 percent set-aside is awarded to Arkansas ABLE, in conjunction with the Arkansas Association of Area Agencies on Aging. The program is coordinated on a statewide basis by ABLE and implemented by the State's eight Area Agencies on Aging. The Director of the Arkansas Office of Aging and Adult Services serves on ABLE's advisory board.

It is possible in Arkansas for an individual to participate in the Senior Community Service Employment Program (Title V of the Older Americans Act), attend occupational training funded by the JTPA 3 percent program and receive transition to-employment services funded by Vocational Education's JTPA 8 percent program. While this combination of services has been feasible for only two or three individuals, it does indicate the kind of coordination which can occur resulting in comprehensive employment services for older persons.

In Wyoming, the Commission on Aging awards both the 3 percent set-aside and the State's Title V funds to Wyoming Senior Citizens, Inc. Two Action sponsored programs related to employment are also administered by Wyoming Senior Citizens, Inc. They are the Senior Companion Program and a Vista grant for Job Clubs. These programs operate in conjunction with the State Title V and JTPA programs which allows for a coordinated employment program for the elderly.

In Arizona, the JTPA 3 percent funds are distributed through a request for a proposal that allows SDAs, private non-profit and private for-profit organizations and agencies, to become involved in older workers training programs.

The Arizona Department of Economic Security, Aging and Adult Administration administers both the Senior Community Service Employment Program (Title V) and the JTPA 3 Percent Older Workers Program to insure maximum program coordination. In some instances, older workers receive training under JTPA 3 percent programs and work experience in the Title V program prior to unsubsidized placement.

These examples illustrate the kinds of coordination between the Title V and the 3% programs and between the employment/training and aging networks which can occur within a variety of administrative structures. Currently, thirty-nine states exclude Title V wages in determining eligibility for programs funded under JTPA. This policy, enhances coordination between the two programs and facilitates the transition of Title V enrollees to unsubsidized employment.

In addition, in fourteen States, the State Unit on Aging administers both the Title V program and the JTPA Older Worker Program. This insures maximum program coordination in such areas as training and technical assistance for local programs. Finally, twenty-one State Units on Aging receive 3% set-aside funds and many other State Units on Aging are actively involved in implementation of JTPA by serving on the State Job Training Coordinating Council (SJTCC), serving on planning task forces of the SJTCC or reviewing proposals for the 3% program. This involvement of State Units on Aging working with State Employment and Training Agencies helps to assure that programs developed in the State will meet the needs of older workers and will provide the most effective training services. Similarly at the local level some Area Agencies on Aging receive 3% funds from the SDAs and work closely with them.

In summary this information provides some highlights of State efforts to build workable models under JTPA for providing employment srvices to older persons. We commend the Committee for its work in addressing the important needs of older workers and look forward to working with you to ensure that older persons receive the assistance they need to secure and retain productive and rewarding employment.

Sincerely,

DANIEL A. QUIRK,
Executive Director.

APPENDIX 2

BLS REPORTS ON DISPLACED WORKERS

The Bureau of Labor Statistics of the U.S. Department of Labor has completed a special study of workers whose jobs were abolished or plants shut down between January 1979 and January 1984.

The study shows that of 5.1 million workers who had been at their jobs at least 3 years before they were displaced, 60 percent (3.1 million) were reemployed when surveyed in January 1984, though many at lower pay; about 25 percent (1.3 million) were looking for work and the rest (700,000) had left the labor force.

Among the displaced workers who were reemployed, about 360,000 who had previously been in full-time wage and salary jobs were in part-time jobs when surveyed. Among those who were once again in full-time jobs—and reported earnings for both the old and new jobs—about 45 percent were earning less in the new job than in the one they had lost.

A displaced worker, as defined in this study, is one who (1) lost a job between January 1979 and January 1984, (2) had worked at least three years in that job, and (3) lost it because of the closing down or moving of a plant or company, slack work, or the abolishment of a position or shift.

The survey on which this study is based was sponsored by the Employment and Training Administration and was conducted as a suppplement to the January 1984 Current Population Survey. (For a description of the supplement, see the explanatory note on page 4.) Altogether, a total of 11.5 million workers 20 years of age and over were identified in this survey as having lost jobs during the January 1979-January 1984 period because of one of the three factors listed above. However, a large number of these workers had been at their jobs only a relatively short period when the loss occurred, with 4.4 million reporting one year or less of tenure on the lost job. To focus on workers who had developed a relatively firm attachment to the jobs they lost, only those with a minimum of 3 years of tenure are included in this analysis, and the data presented in tables 1 through 7 relate only to these 5.1 million workers.

EMPLOYMENT STATUS IN JANUARY 1984

The chance of reemployment for these displaced workers declined significantly with age. While the overall proportion who were employed in January 1984 was 60 percent, this varied from 70 percent for those 20 to 24 years of age to 41 percent for those 55 to 64 years of age. Those 65 years and over often retire when they lose a job, so the proportion in this age group who were employed in January 1984 was only 21 percent. (See table 1.)

Over one-fourth of the displaced workers 55 to 64 years of age and as many as two-thirds of those 65 years and over were out of the labor force—that is, were neither employed nor unemployed—when studied. Women in general were somewhat less likely than men to be reemployed and more likely to have left the labor force.

Of the 5.1 million workers who had lost a job over the previous 5 years, about 1.3 million, or one-fourth, were unemployed when surveyed in January 1984. The proportion unemployed was about 23 percent among whites, 41 percent among blacks, and 34 percent among Hispanics.

REASONS FOR DISPLACEMENT

Almost one-half (49.0 percent) of the 5.1 million workers reported they had lost their jobs because their plant or company had closed down or moved. Another two-fifths (38.7 percent) cited "slack work" as the reason. The balance (12.4 percent) reported that their position or shift had been abolished. (See table 2.) The older the worker, the more likely was the job loss to stem from plant closings. Younger workers, having generally less seniority, were about as likely to have lost their jobs due to slack work as due to plant closings.

YEARS WORKED ON LOST JOB

Many of the 5.1 million displaced workers had been in their jobs for relatively long periods. Nearly one-third (30.2 percent) had been displaced from jobs on which they had worked 10 years or more. Another third (33.6 percent) had been on their jobs from 5 to 9 years. The remainder had lost jobs at which they had worked either 3 or 4 years. The median tenure on the lost jobs for the entire 5.1 million workers was 6.1 years. Not surprisingly, the length of tenure tended to increase with the age

of the displaced workers. For example, median tenure for those 55 to 64 had been 12.4 years. (See table 3.)

INDUSTRY AND OCCUPATION

Nearly 2.5 million, or almost one half of the workers in question, had been displaced from jobs in the manufacturing sector, principally in durable goods industries. (See table 4.) About 220,000 had worked in primary metals, 400,000 in machinery, except electrical, and 350,000 in the transportation equipment industry, with autos accounting for 225,000.

Of the workers who had lost jobs in the primary metals industry, less than half (45.7 percent) were employed in January 1984, and nearly two-fifths (38.7 percent) were still reported as unemployed. Of those who had lost jobs in the nonelectrical machinery industry or the transportation equipment industry, the proportion employed in January 1984 was over 60 percent.

From an occupational standpoint, operators, fabricators, and laborers figured most prominently among the workers who had been displaced from jobs. (See table 5.) In general, the higher the skill of the displaced workers, the more likely they were to be reemployed when surveyed. For example, among those who had been displaced from managerial and professional jobs, the proportion reemployed was about 75 percent. In contrast, among those who had lost jobs as handlers, equipment cleaners, helpers, and laborers, less than one-half were reemployed.

GEOGRAPHIC DISTRIBUTION

Relatively large numbers of the workers who had been displaced from their jobs resided in the East North Central (1.2 million) and the Middle Atlantic (800,000) areas. (See table 6 for definitions of these areas.) This reflects in part the concentration of heavy industries in these two areas and the employment losses which these industries incurred in recent years. As shown in table 6, the workers who had been displaced in these two areas were less likely than those in other areas to be reemployed when surveyed in January 1984. Whereas the nationwide proportion who were reemployed was three-fifths, it was only about one-half in these two areas. The East North Central area had nearly one-third of all the displaced workers who were unemployed in January 1984—400,000 out of a national total of 1.3 million—and nearly one-half of those in the East North Central area had been unemployed for mote than 6 months.

EARNINGS ON NEW JOB

Of the 3.1 million displaced workers who were again employed in January 1984, a little over 2.8 million had previously held full-time wage and salary jobs. Of these, nearly 2.3 million, were once again working in full-time wage and salary jobs when surveyed. Earnings data for about 2 million of these workers were obtained both for the old and new jobs.

About 1.1 million (55 percent) of these 2 million workers reported weekly earnings from their new jobs that were equal to or higher than the earnings on the jobs they had lost, with 500,000 reporting that their earnings exceeded those on their previous jobs by 20 percent or more. On the other hand, about 900,000 (45 percent) reported earnings that were lower than those on the jobs they had lost, with about 600,000 having taken cuts of 20 percent or more. (See table 7.)

Workers who had been displaced from jobs in durable goods manufacturing were somewhat more likely than other workers to be earning less on the jobs they held in January 1984 than in those they had lost. About 40 percent of those who were in new full-time wage and salary jobs when surveyed in January 1984 reported weekly earnings of 20 percent or more below those on the jobs they had lost.

EXPLANATORY NOTE

The data presented in this report were obtained through a special survey conducted in January 1984 as a supplement to the Current Population Survey, the monthly survey which provides the basic data on employment and unemployment for the Nation. The purpose of this supplementary survey was to obtain information on the number and characteristics of workers 20 years of age and over who had been displaced from their jobs over the previous 5 years, that is, over the period from January 1979 to January 1984. This is the period during which the economy went through two back-to-back recessions and the levels of employment in some industries, particularly the goods-producing sector, were reduced considerably.

In order to identify workers who had been displaced from jobs, the survey respondents were first asked whether the household member had lost a job during the period in question "because of a plant closing, an employer going out of business, a layoff from which (he/she) was not recalled, or other similar reasons." If the answer to this question was "yes", the respondent was asked to identify, among the following reasons, the one which best fit the reason for the job loss: plant or company closed down or moved; plant or company was operating but job was lost because of: slack work, position or shift was abolished, seasonal job was completed; self-employment business failed; other reasons.

After ascertaining the reason for the job loss, a series of questions were asked about the nature of the lost job—including the year it was lost, the years of tenure, the earnings, and the availability of health insurance. Other questions were asked to determine what transpired after the job loss such as: How long did the person go without work, did he or she receive unemployment insurance benefits, were the benefits exhausted, and, finally, did the person move after the job loss. If the person was reemployed at the time of the interview, follow-up questions were asked to determine the current earnings. And, regardless of the employment status at the time of the interview, a question was asked of all those who had been reported as having lost a job to determine whether they currently had any health insurance coverage.

As noted earlier, in tabulating the date from this survey the only workers considered to have been displaced from their jobs were those who reported job losses arising from: (1) The closing down or moving of a plant or company, (2) slack work, or (3) the abolishment of their position or shift. This means that workers whose job losses stemmed from the completion of seasonal work, the failure of self-employment businesses, or other miscellaneous reasons were not included among those deemed to have been displaced. A further condition for inclusion among the displaced workers for the purpose of this study was tenure of at least 3 years on the lost job.

In examining the displaced workers who were unemployed in January 1984, it is important to note that all were continually unemployed since the job loss they reported. Many, particularly those who reported job losses which occurred in 1979 or the very early 1980's, may subsequently have held other jobs, only to find themselves unemployed once again in January 1984.

More detailed analysis of the data from this supplement, including topics not covered in this release, will be forthcoming.

TABLE 1.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY AGE, SEX, RACE, AND HISPANIC ORIGIN, JANUARY 1984 [1]

[In percent]

Age, sex, race, and Hispanic origin	Total[1] (thousands)	Total	Employed	Unemployed	Not in the labor force
TOTAL					
Total, 20 years and over	5,091	100.0	60.1	25.5	14.4
20 to 24 years	342	100.0	70.4	20.2	9.4
25 to 54 years	3,809	100.0	64.9	25.4	9.6
55 to 64 years	748	100.0	40.8	31.8	27.4
65 years and over	191	100.0	20.8	12.1	67.1
MEN					
Total, 20 years and over	3,328	100.0	63.6	27.1	9.2
20 to 24 years	204	100.0	72.2	21.7	6.1
25 to 54 years	2,570	100.0	68.2	26.8	5.0
55 to 64 years	461	100.0	43.6	34.1	22.3
65 years and over	92	100.0	16.8	12.9	70.3
WOMEN					
Total, 20 years and over	1,763	100.0	53.4	22.5	24.2
20 to 24 years	138	100.0	67.8	18.0	14.2
25 to 54 years	1,239	100.0	58.0	22.6	19.4
55 to 64 years	287	100.0	36.3	28.0	35.7
65 years and over	99	100.0	24.6	11.3	64.1
WHITE					
Total, 20 years and over	4,397	100.0	62.6	23.4	13.9
Men	2,913	100.0	66.1	25.1	8.8
Women	1,484	100.0	55.8	20.2	24.1
BLACK					
Total, 20 years and over	602	100.0	41.8	41.0	17.1
Men	358	100.0	43.9	44.7	11.4
Women	244	100.0	38.8	35.6	25.6
HISPANIC ORIGIN					
Total, 20 years and over	282	100.0	52.2	33.7	14.1
Men	189	100.0	55.2	35.5	9.3
Women	93	100.0	46.3	30.0	23.6

[1] Date refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Note.—Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

TABLE 2.—WORKERS WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY AGE, SEX, RACE, HISPANIC ORIGIN, AND REASONS FOR JOB LOSS

[In percent]

Age, sex, race, and Hispanic origin	Total [1] (thousands)	Total	Plant or company closed down or moved	Slack work	Position or shift abolished
TOTAL					
TOTAL, 20 years and over	5,091	100.0	49.0	38.7	12.4
20 to 24 years	342	100.0	47.1	47.1	5.8
25 to 54 years	3,809	100.0	46.3	41.0	12.7
55 to 64 years	748	100.0	57.8	28.2	14.0
65 years and over	191	100.0	70.8	18.1	11.1
MEN					
Total, 20 years and over	3,327	100.0	46.0	42.9	11.1
20 to 24 years	204	100.0	39.5	59.6	.9
25 to 54 years	2,570	100.0	43.9	44.8	11.3
55 to 64 years	441	100.0	55.6	30.5	14.0
65 years and over	92	100.0	68.7	15.7	15.5
WOMEN					
Total, 20 years and over	1,763	100.0	54.6	30.8	14.6
20 to 24 years	138	100.0	58.3	28.7	12.9
25 to 54 years	1,239	100.0	51.1	33.3	15.6
55 to 64 years	287	100.0	61.4	24.5	14.1
65 years and over	99	100.0	72.8	20.3	6.9
WHITE					
Total, 20 years and over	4,397	100.0	49.6	37.9	12.5
Men	2,913	100.0	46.0	42.6	11.4
Women	1,484	100.0	56.7	28.7	14.6
BLACK					
Total, 20 years and over	602	100.0	43.8	44.7	11.6
Men	358	100.0	44.9	46.4	5.8
Women	244	100.0	42.2	42.2	15.7
HISPANIC ORIGIN					
Total, 20 years and over	282	100.0	47.4	45.2	7.3
Men	189	100.0	48.1	43.8	8.1
Women	93	100.0	46.2	48.1	5.7

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closing or moves, slack work, or the abolishment of their positions or shifts.

Note.—Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

TABLE 3.—WORKERS WHO WERE DISPLACED FROM JOBS BETWEEN JANUARY 1979 AND JANUARY 1984 BY AGE, SEX, RACE, HISPANIC ORIGIN, AND TENURE WHEN JOB ENDED.

[In percent]

Age, sex, race, and Hispanic origin	Total[1] (thousands)	Total	3 to 4 years	3 to 9 years	10 to 14 years	15 to 19 years	20 or more years	Median years on lost job
TOTAL								
Total, 20 years and over	5,091	100.0	36.2	33.6	14.7	6.7	8.8	6.1
25 years and over	4,749	100.0	33.5	34.5	15.5	7.1	9.4	6.3
25 to 54 years	3,809	100.0	37.9	36.9	14.5	5.9	4.7	5.8
55 to 64 years	748	100.0	15.5	23.2	21.2	12.2	27.9	12.4
65 years and over	191	100.0	14.6	31.1	12.3	11.9	30.0	11.9
MEN								
Total, 20 years and over	3,328	100.0	34.6	31.6	15.8	7.4	10.6	6.6
25 years and over	3,123	100.0	31.8	32.6	16.5	7.8	11.3	7.0
25 to 54 years	2,570	100.0	35.8	35.2	16.2	6.7	6.1	6.2
55 to 64 years	461	100.0	12.9	19.5	19.0	13.0	35.5	14.4
65 years and over	92	100.0	14.3	25.0	12.1	12.8	35.8	14.3
WOMEN								
Total, 20 years and over	1,763	100.0	39.4	37.4	12.6	5.3	5.3	5.7
25 years and over	1,625	100.0	36.7	38.2	13.6	5.8	5.7	5.9
25 to 54 years	1,239	100.0	42.4	40.4	11.1	4.2	1.9	5.5
55 to 64 years	267	100.0	19.7	29.1	24.7	11.0	15.5	10.2
65 years and over	99	100.0	14.9	36.9	12.5	11.0	24.7	9.8
WHITE								
Total, 20 years and over	4,397	100.0	36.3	33.5	14.8	6.5	8.9	6.1
Men	2,913	100.0	34.7	31.8	15.8	7.2	10.6	6.5
Woman	1,484	100.0	39.3	36.9	12.9	5.2	5.7	5.7
BLACK								
Total, 20 years and over	602	100.0	36.6	34.4	14.0	7.2	7.8	6.1
Men	358	100.0	33.8	30.2	16.8	8.2	10.9	7.0
Woman	244	100.0	40.7	40.4	9.8	5.8	3.3	5.5
HISPANIC ORIGIN								
Total, 20 years and over	282	100.0	37.9	32.4	13.9	6.2	9.7	5.9
Men	189	100.0	32.6	30.5	18.7	7.0	11.2	7.0
Woman	93	100.0	48.5	36.4	4.0	4.3	6.7	5.1

[1] Data refer to persons with tenure of three or more ears who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their ositions or shifts.

Note.—Detail for the above race and Hispanic-origin gups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black poulation groups.

TABLE 4.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY INDUSTRY AND CLASS OF WORKER OF LOST JOB, JANUARY 1984

[In percent]

Industry and class of worker of lost job	Total [1] (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over [2]	5,091	100.0	60.1	25.5	14.4
Nonagricultural private wage and salary workers	4,700	100.0	59.8	25.8	14.4
Mining	150	100.0	60.4	31.0	8.6
Construction	401	100.0	55.0	30.7	14.3
Manufacturing	2,483	100.0	58.5	27.4	14.1
Durable goods	1,675	100.0	58.2	28.9	12.9
Lumber and wood products	81	100.0	67.9	19.1	13.0
Furniture and fixtures	65	100.0	[3]	[3]	[3]
Stone, clay, and glass products	75	100.0	47.5	30.5	22.0
Primary metal industries	219	100.0	45.7	38.7	15.6
Fabricated metal products	173	100.0	62.0	32.2	5.8
Machinery, except electrical	396	100.0	62.3	27.4	10.3
Electrical machinery	195	100.0	48.2	34.5	17.3
Transportation equipment	354	100.0	62.6	26.0	11.4
Automobiles	224	100.0	62.9	24.0	13.1
Other transportation equipment	130	100.0	62.1	29.4	8.5
Professional and photographic equipment	54	100.0	[3]	[3]	[3]
Other durable goods industries	62	100.0	[3]	[3]	[3]
Nondurable goods	808	100.0	59.1	24.2	16.7
Food and kindred products	175	100.0	52.5	32.6	15.0
Textile mill products	80	100.0	59.8	26.2	13.9
Apparel and other finished textile products	132	100.0	63.0	14.2	22.8
Paper and allied products	60	100.0	[3]	[3]	[3]
Printing and publishing	103	100.0	58.0	22.9	19.1
Chemical and allied products	110	100.0	64.0	27.3	8.7
Rubber and miscellaneous plastics products	100	100.0	62.8	18.3	18.8
Other nondurable goods industries	49	100.0	[3]	[3]	[3]
Transportation and public utilities	336	100.0	57.9	26.8	15.3
Transportation	280	100.0	58.8	30.5	10.7
Communication and other public utilities	56	100.0	[3]	[3]	[3]
Wholesale and retail trade	732	100.0	61.4	21.6	16.9
Wholesale trade	234	100.0	69.6	22.0	8.4
Retail trade	498	100.0	57.6	21.5	20.9
Finance, insurance, and real estate	93	100.0	78.5	12.4	9.1
Services	506	100.0	65.0	20.5	14.5
Professional services	187	100.0	64.0	19.8	16.1
Other service industries	318	100.0	65.6	20.9	13.5
Agricultural wage and salary workers	100	100.0	69.9	22.9	7.2
Government workers	248	100.0	63.3	18.7	18.0
Self-employed and unpaid family workers	25	100.0	[3]	[3]	[3]

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Total includes a small number who did not report industry or class of worker.

[3] Data not shown where base is less then 75,000.

TABLE 5.—EMPLOYMENT STATUS OF DISPLACED WORKERS BY OCCUPATION OF LOST JOB, JANUARY 1984

[In percent]

Occupation of lost job	Total[1] (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over[2]	5,091	100.0	60.1	25.5	14.4
Managerial and professional speciality	703	100.0	74.7	16.6	8.8
Executive, administrative, and managerial	444	100.0	75.7	15.6	8.7
Professional specialty	260	100.0	72.9	18.2	8.9
Technical, sales, and administrative support	1,162	100.0	60.6	21.1	18.3
Technicians and related support	122	100.0	67.9	25.3	6.8
Sales occupations	468	100.0	66.7	14.6	18.7
Administrative support, including clerical	572	100.0	54.1	25.5	20.5
Service occupations	275	100.0	51.0	24.1	24.9
Protective service	32	100.0	[3]	[3]	[3]
Service, except private household and protective	243	100.0	53.0	23.6	23.4
Precision production, craft and repair	1,042	100.0	61.6	26.1	12.3
Mechanics and repairers	261	100.0	61.3	29.3	9.4
Construction trades	315	100.0	63.2	23.8	13.0
Other precision production, craft, and repair	467	100.0	60.8	25.8	13.4
Operators, fabricators, and laborers	1,823	100.9	54.6	31.6	13.7
Machine operators, assemblers, and inspectors	1,144	100.0	56.0	27.5	16.5
Transportation and material moving occupations	324	100.0	63.8	28.7	7.5
Handlers, equipment cleaners, helpers, and laborers	355	100.0	41.8	47.6	10.6
Construction laborers	55	100.0	[3]	[3]	[3]
Other handlers, equipment cleaners, helpers, and laborers	300	100.0	42.0	47.0	11.0
Farming, forestry, and fishing	68	100.0	[3]	[3]	[3]

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.
[2] Total includes a small number who did not report occupation.
[3] Data not shown where base is less than 75,000.

TABLE 6.—EMPLOYMENT STATUS AND AREA OF RESIDENCE IN JANUARY 1984 OF DISPLACED WORKERS BY SELECTED CHARACTERISTICS

(Numbers in thousands)

Characteristic	Total [1]	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
WORKERS WHO LOST JOBS										
Total	5,091	260	794	1,206	426	664	378	484	211	667
Men	3,328	155	530	772	282	428	236	347	152	427
Women	1,763	105	264	434	145	236	143	137	59	241
REASON FOR JOB LOSS										
Plant or company closed won or moved	2,492	118	410	556	208	339	204	231	103	323
Slack work	1,970	106	269	513	164	236	132	211	83	256
Position or shift abolished	629	36	115	138	54	89	42	42	26	88
INDUSTRY OF LOST JOB										
Construction	481	16	68	88	36	81	34	63	30	63
Manufacturing	2,514	158	414	658	210	296	189	215	58	315
Durable goods	1,686	94	260	514	137	175	107	152	40	218
Nondurable goods	828	64	134	145	73	122	82	73	18	97
Transportation and public utilities	352	14	61	83	34	34	33	41	19	32
Wholesale and retail trade	740	41	100	182	68	132	40	54	32	90
Finance and service industries	648	22	122	133	45	70	32	54	39	132
Public administration	84	2	10	22	5	13	4	8	5	16
Other industries [2]	272	5	20	40	28	38	45	49	27	19
EMPLOYMENT STATUS IN JANUARY 1984										
Employed	3,058	171	428	621	276	461	209	344	148	399
Unemployed	1,299	48	225	400	96	117	113	85	33	181
Percent less than 5 weeks	22.1	([3])	24.1	21.2	13.0	29.4	17.3	25.4	([3])	18.4
Percent 27 weeks or more	38.8	([3])	36.8	47.2	47.5	25.5	51.7	29.8	([3])	28.0
Not in the labor force	733	41	141	185	54	85	56	55	30	86

[1] Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.
[2] Includes a small number who did not report industry.
[3] Data not shown where base is less than 75,000.

Note.—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont compose the New England Division; New Jersey, New York, and Pennsylvania compose the Middle Atlantic Division; Illinois, Indiana, Michigan, Ohio, and Wisconsin compose the East North Central Division; Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota compose the West North Central Division; Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia compose the South Atlantic Division; Alabama, Kentucky, Mississippi, and Tennessee compose the East South Central Division; Arkansas, Louisiana, Oklahoma, and Texas compose the West South Central Division; Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming compose the Mountain Division; Alaska, California, Hawaii, Oregon, and Washington compose the Pacific Division.

TABLE 7.—CHARACTERISTICS OF NEW JOB OF DISPLACED WORKERS WHO LOST FULL-TIME WAGE AND SALARY JOBS AND WERE REEMPLOYED IN JANUARY 1964 BY INDUSTRY OF LOST JOB

[In thousands]

Industry of lost job	Total reemployed January 1984	Part-time job	Full-time wage and salary job					Self-employment on other full-time job
			Total [1]	Learning relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent	20 percent or more above	
Total who lost full-time wage and salary jobs [2]	2,841	357	2,266	621	320	571	533	218
Construction	253	26	199	48	30	47	61	28
Manufacturing	1,418	151	1,200	366	171	286	247	67
Durable goods	954	106	797	281	102	181	155	51
Primary metal industries	98	14	77	40	5	22	5	7
Steel [3]	78	14	59	33	3	14	5	4
Other primary metals	20	.....	18	7	2	9	.....	2
Fabricated metal products	102	12	81	30	6	21	16	9
Machinery, except electrical	244	17	215	77	34	39	40	12
Electrical machinery	94	10	84	26	12	14	22	.....
Transportation equipment	219	30	174	66	22	42	34	14
Automobiles	141	19	115	43	16	21	26	7
Other transportation equipment	77	11	59	23	6	21	8	7
Nondurable goods	464	45	403	85	69	105	92	16
Transportation and public utilities	191	15	154	40	22	44	27	22
Wholesale and retail trade	399	72	296	61	41	79	85	31
Finance and service industries	378	58	270	59	35	83	74	50
Public administration	48	4	42	11	5	7	18	2
Other industries [4]	153	31	104	36	16	24	22	18

[1] Include person who did not report earnings on lost job.
[2] Data refer to persons with tenure of three or more years who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings or moves, slack work, or their positions or shifts were abolished.
[3] Includes blast furnaces, steelworks, rolling and finishing skills, and iron and steel foundries.
[4] Include a small number who did not report industry.

[From USA Today, July 19, 1985]

Older Workers Face Jobless "Tragedy"

(By Paul Clancy, USA Today)

Duquesne, Pa.—The work ethic throbbed in this city like the steel mill that dominates it.

When the phone rang at 3 a.m. and the night foreman said the company needed him, Paul Seeman would slip out of his house and run across dark alleys to the plant that sprawls beside the river. The big, solid pipe fitter's son took few vacations, holidays or sick leaves. He just wanted to work.

The work ethic is still here, but now the plant is closed and thousands are out of work. And that desire to pour, shape and roll hot metal is played out in silent frustration.

"It doesn't matter how good a worker I am," he says. "There's no way I can get in there and show them."

It's a dilemma facing hundreds of thousands of older workers, especially men, whose jobs vanish as heavy industry gives way to a service-information economy.

They have given rise to a new classification—displaced workers—and to increasing efforts to retrain, re-employ and relocate them. But is it enough?

Wednesday in Washington, the House Select Committee on Aging will hold hearings on what committee chairman Rep. Edward Roybal, D-Calif., calls "a human tragedy"—older workers who, displaced by lurches in the economy, face sudden and unwanted retirement.

President Reagan's Job Training Partnership Act is designed to get displaced workers back on the job and 3 percent of the funds are targeted for older workers.

The Labor Department calls the job retraining act "incredibly successful," with 72 percent of its 144,000 graduates finding jobs. But critics say the program doesn't reach enough or the right people.

When the economy turned sour in 1980, about 2 million men were pushed out of the labor force, according to the Bureau of Labor Statistics. By 1985, with things booming again, jobs are way up for women and younger men, but more than 500,000 men 45–64 years old haven't found a way back to work.

"We're making these guys old before their time," says Samuel Ehrenhalf, New York regional commissioner of the bureau. "Work is a very basic part of the identity of men, and when older men lose that they lose a vital part of themselves."

The loss in older workers' jobs, experts say, stems from the dramatic decline in manufacturing. Factory jobs have fallen by 8 million since 1979. Just-released unemployment figures for June show jobs in steel, textile and leather products continue to disappear.

There's no respect for age when a plant closes, and the men who went on the assembly line in the 1950s find no place to take their skills.

Steven Sandell, director of the Project on National Employment Policy and Older Americans of the National Commission on Employment Policy, says older workers "stay unemployed longer (than younger workers), experience a greater drop in pay when they find a new job and are more likely to retire."

For Seeman, 52, and Paul Kruszka, 53, his longtime friend, it isn't for lack of trying. Both have been looking for work—any work—for more than a year.

"The thought has occurred to me," says Kruszka, lean and fit, "that this is more or less my retirement period of life. There's no job out there for me."

It isn't just steel workers. In Carolina textile towns, at Utah and Montana copper mines, Ohio coal fields and dozens of other states in the industrial heartland, workers find they must start over. And because most can't make the kind of money they did in former jobs, they face wrenching financial adjustments.

The only thing Seeman has been able to find is part-time work as a school janitor at $3.75 an hour. He made $13 an hour before—with overtime, it was about $30,000 a year. Still, he doesn't mind, as long as he can be hired permanently and qualify for benefits.

Leaving town is out of the question, even if he could sell his house. It's just about paid off; he's got lifetime friends here; church is just down the street; hunting and fishing a short drive away.

"What can I say," asks his wife, Grace, at their neat Formica kitchen table. "This is home here. We've been here, my God, all our lives."

When he told her, testing a bit, that the Dallas police and Texas corrections departments were interviewing, he recalls, "She said if you're going, you're going without me. I almost didn't have nothing to eat for Father's Day. Reagan says you've got to relocate. No way. We're going to stick it out right here."

That's why a drive through the neighborhood is a little unsettling.

Frank Yanichko, 64, is on his front porch painting the trim around his house, getting it ready for sale.

"You're going to Florida? You son of a gun," says Seeman, lighting his pipe.

"Yeah," his friend and one-time foreman says, "My wife, she wants to be in that stinking hot, buggy weather."

Yanichko offers to help. "I gotta give you credit, Paul. People like you are looking. At least you're out there."

Being out there with few marketable skills can be discouraging. "We find 43-year-olds who consider themselves over the hill," says Ron Quinn of the One Stop Shop, an Allegheny County dislocated workers' center in Pittsburgh.

Changing that mindset is one of the center's biggest hurdles.

"You're going to meet with a whole new group of people, all of them strangers," Allie Eichelberger, a former personnel manager at U.S. Steel, tells a classroom full of trainees. "I urge you all to find a way to challenger your own boundaries and borders."

And some have, although getting there has been painful.

At the job center, Joseph De Renzo, 48, appears with a grin as big as his towering frame. After four sometimes demoralizing years of looking, he has found a job.

He'll truck parts to job sites for an electrical company, at $4 to $5 an hour. But with the government paying half his salary during training, his new employer will teach him to become an electrician.

"I'll be all right," he says. "I'll make it."

Down the hall, poring over high school English and math books, Albert La Rotonda, 49, is doing his homework for a new life. He lost his job as a heat treater for a small Verona tool company 13 months ago. He had a bad time at first, but with "a lot of love, a lot of prayer and a lot of good friends," he climbed out.

Thanks to his wife's job, he is returning to school. After refresher courses in math and English, he'll study electronics and robotics at Boyce Community College.

"I'm going to improve myself; I'm going to do it by going with the flow," he says, a book on career mathematics under his arm. "Times are changing and I'm changing with 'em."

○